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FINANCIAL STATISTICS

of the

MAJOR PRIVATELY OWNED UTILITIES WITHIN NEW YORK STATE

ELECTRIC • GAS • TELEPHONE • WATER

1985

NEW YORK STATE DEPARTMENT OF PUBLIC SERVICE

THE UTILITY INDUSTRY IN THE STATE OF NEW YORK*
(BILLIONS OF DOLLARS)
BALANCE SHEET

	1985	1984	1983	1982	1981
ASSETS					
ELECTRIC PLANT	$ 30.01	$ 27.57	$ 25.02	$ 22.52	$ 20.26
GAS PLANT	3.84	3.61	3.42	3.24	3.06
TELEPHONE PLANT	17.52	16.51	16.39	15.69	14.76
WATER PLANT	0.31	0.29	0.27	0.26	0.25
STEAM PLANT	0.25	0.26	0.25	0.25	0.24
COMMON PLANT	0.93	0.88	0.77	0.70	0.63
TOTAL UTILITY PLANT	52.85	49.11	46.12	42.66	39.20
ACCUMULATED DEPRECIATION	11.94	10.93	10.06	9.25	8.51
NET UTILITY PLANT INVESTMENT	40.90	38.18	36.06	33.40	30.69
CASH	0.14	0.14	0.11	0.10	0.09
OTHER ASSETS	8.21	7.43	6.46	5.74	5.06
TOTAL ASSETS	$ 49.25	$ 45.76	$ 42.62	$ 39.25	$ 35.83
OWNER'S EQUITIES AND LIABILITIES					
BONDS	$ 13.56	$ 13.21	$ 12.54	$ 12.16	$ 11.75
OTHER LONG-TERM DEBT	3.29	2.59	2.44	1.33	1.02
PREFERRED STOCK	2.72	2.73	2.75	2.43	2.39
COMMON EQUITY	18.69	17.46	16.32	15.16	13.73
TOTAL CAPITALIZATION	38.26	35.98	34.06	31.08	28.89
CURRENT AND OTHER LIABILITIES	10.99	9.77	8.57	8.17	6.94
TOTAL OWNER'S EQUITIES AND LIABILITIES	$ 49.25	$ 45.76	$ 42.62	$ 39.25	$ 35.83

INCOME STATEMENT

	1985	1984	1983	1982	1981
UTILITY REVENUES					
ELECTRIC REVENUES	$ 10.48	$ 10.56	$ 9.85	$ 9.05	$ 8.82
GAS REVENUES	4.54	4.76	4.65	4.22	3.59
TELEPHONE REVENUES	9.05	8.65	7.51	7.13	6.34
WATER REVENUES	0.13	0.12	0.11	0.10	0.09
STEAM REVENUES	0.32	0.37	0.36	0.39	0.37
TOTAL REVENUES	24.52	24.46	22.49	20.89	19.21
OPERATING EXPENSES					
OPERATION AND MAINTENANCE EXPENSES	14.69	15.12	13.82	13.14	12.20
DEPRECIATION	1.75	1.57	1.53	1.43	1.33
INCOME TAXES	1.74	1.53	1.28	1.06	0.84
OTHER TAXES	3.03	3.10	2.90	2.54	2.32
TOTAL OPERATING EXPENSES	21.21	21.32	19.52	18.17	16.69
UTILITY OPERATING INCOME	3.31	3.14	2.97	2.73	2.52
NONUTILITY INCOME	1.10	0.99	0.77	0.63	0.48
TOTAL INCOME BEFORE INTEREST CHARGES	4.41	4.13	3.74	3.36	3.00
INTEREST CHARGES	1.57	1.47	1.36	1.24	1.10
NET EARNINGS BEFORE EXTRAORDINARY ITEMS	2.84	2.66	2.38	2.12	1.90
EXTRAORDINARY ITEMS	-	0.01	0.02-	-	-
NET EARNINGS	$ 2.84	$ 2.67	$ 2.35	$ 2.12	$ 1.90
DIVIDENDS PAID TO STOCKHOLDERS	1.77	1.63	1.75	1.56	1.35
EARNINGS REINVESTED IN THE BUSINESS	$ 1.08	$ 1.04	$ 0.61	$ 0.56	$ 0.55

*THE MAJOR PRIVATELY OWNED ELECTRIC, GAS, STEAM, TELEPHONE AND WATER COMPANIES.

THE UTILITY INDUSTRY IN THE STATE OF NEW YORK*
STATEMENT OF CHANGES IN FINANCIAL POSITION

		1985			1984	
		AMOUNT	%		AMOUNT	%
		(DOLLARS IN THOUSANDS)				
FUNDS PROVIDED						
INTERNAL SOURCES						
INCOME BEFORE EXTRAORDINARY ITEMS	$	2,842,447	47.1	$	2,673,376	50.7
NON-CASH CHARGES (CREDIT) TO INCOME						
DEPRECIATION, DEPLETION, AND AMORTIZATION		1,831,912	30.3		1,619,732	30.7
DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)		821,425	13.6		742,712	14.0
INTEREST CAPITALIZED		793,317-	13.1-		718,246-	13.6-
OTHER (NET)		58,644	0.9		58,897	1.1
TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS		4,761,111	78.9		4,376,470	83.0
EXTRAORDINARY ITEMS - NET OF INCOME TAXES		2,968	-		7,636	0.1
TOTAL FUNDS FROM INTERNAL SOURCES		4,764,079	78.9		4,384,106	83.1
LESS DIVIDENDS - PREFERRED		153,975	2.5		203,075	3.8
- COMMON		1,531,035	25.3		1,395,257	26.4
NET FUNDS FROM INTERNAL SOURCES	$	3,079,069	51.0	$	2,785,774	52.8
EXTERNAL SOURCES						
LONG-TERM DEBT	$	1,933,888	32.0	$	1,285,656	24.3
PREFERRED STOCK		75,000	1.2		50,046	0.9
COMMON STOCK		360,884	5.9		442,340	8.3
NET INCREASE IN SHORT-TERM DEBT		133,082	2.2		21,641	0.4
OTHER (NET)		58,848-	0.8-		52,104	0.9
TOTAL FUNDS FROM EXTERNAL SOURCES	$	2,444,005	40.5	$	1,851,788	35.1
OTHER		508,809	8.4		633,301	12.0
TOTAL FUNDS PROVIDED	$	6,031,889	100.0	$	5,270,863	100.0
FUNDS APPLIED						
CONSTRUCTION EXPENDITURES						
GROSS ADDITIONS						
TELEPHONE PLANT	$	1,503,932	24.9	$	1,370,236	25.9
ELECTRIC PLANT (EXCLUDING NUCLEAR)		1,020,061	16.9		1,122,966	21.3
NUCLEAR PLANT		1,601,989	26.5		1,651,373	31.3
NUCLEAR FUEL		156,873	2.6		69,316	1.3
GAS PLANT		241,625	4.0		225,789	4.2
LIQUEFIED NATURAL GAS PLANT		8,738	0.1		4,245	-
STEAM PLANT		8,033	0.1		8,743	0.1
WATER PLANT		18,302	0.3		20,240	0.3
NON-UTILITY PLANT		257	-		271	-
OTHER		38,499	0.6		25,330	0.4
TOTAL GROSS ADDITIONS	$	4,598,310	76.2	$	4,498,509	85.3
LESS INTEREST CAPITALIZED		793,317	13.1		718,246	13.6
TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	$	3,804,993	63.0	$	3,780,263	71.7
RETIREMENT OF DEBT AND SECURITIES						
LONG-TERM DEBT	$	919,719	15.2	$	314,115	5.9
PREFERRED STOCK		52,249	0.8		60,019	1.1
REDEMPTION OF CAPITAL STOCK		288,804	4.7		406-	-
NET DECREASE IN SHORT-TERM DEBT		83,964	1.3		398,786	7.5
OTHER (NET)		30,933	0.5		3,498	-
TOTAL RETIREMENT OF DEBT SECURITIES	$	1,375,792	22.8	$	776,012	14.7
OTHER		851,105	14.1		714,588	13.5
TOTAL FUNDS APPLIED	$	6,031,889	100.0	$	5,270,863	100.0

*THE MAJOR PRIVATELY OWNED ELECTRIC, GAS, STEAM, TELEPHONE AND WATER COMPANIES

FINANCIAL STATISTICS OF THE MAJOR PRIVATELY OWNED UTILITIES WITHIN NEW YORK STATE

ELECTRIC • GAS • TELEPHONE • WATER

1985

New York State Public Service Commission

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PREFACE

For the 16th consecutive year the Department of Public Service has compiled and published the "Financial Statistics of the Major Privately Owned Utilities Within New York State." As with all previous editions, the primary preparer of the report is the Accounting Systems Section of the Office of Accounting and Finance.

This publication contains many key financial and operating statistics for the 69 largest, privately owned electric, gas, telephone and water companies doing business at December 31, 1985. The data is accumulated by type of utility service and because of this arrangement companies which provide more than one type of utility service will appear in several locations of the report. The seven companies which provide gas and electric service (referred to as combination companies) will be listed in the electric section and again in the gas section. The gas section of this report also contains statistics for six companies which only distribute and transport gas. These companies are referred to as straight gas companies.

Consolidated Edison Company of New York Inc., and Rochester Gas & Electric Corp. provided steam service in addition to electric and gas service. Rochester was given permission by the Commission to cease its steam operations and abandon its steam system by year-end 1985. As a result, 1985 operating statistics for Rochester may not be comparable to prior years. Statistical data for steam operations is not treated separately in this report, except on selected schedules where steam plant and revenues are shown on a composite basis. Otherwise, steam operations are included in Other Utility Plant and Other Utility Income in the composite tables and in the individual statements of the two companies mentioned above.

The companies included in this publication are all Class A or Class B utilities. For electric or gas utilities, companies with annual operating revenues of $2,500,000 or more for each type of service are designated Class A, and those with revenues between $1,000,000 and $2,500,000 are Class B companies. Class A telephone companies have annual operating revenues of over $250,000 and Class B telephone companies are between $100,000 and $250,000. The classification guidelines for water companies are the same as for telephone companies.

The initial pages of this publication show operating data aggregated on an industry basis for the last five years, accompanied by a brief narrative summarizing significant changes occurring in the two most recent years. This industry overview is followed by composite balance sheets, income statements, changes in financial position statements, plant, revenue and bill data and tables showing distribution of the revenue dollar. Individual company operations are also shown in the same manner and by type of service.

All information in this book is based on data required to be filed by the companies in their annual reports to the Public Service Commission.

It should be noted that some figures may not add to the totals shown due to rounding.

THE PRIVATELY OWNED UTILITIES IN NEW YORK STATE
CLASS A AND CLASS B
HIGHLIGHTS

Plant Investment

A comparison of the year 1985 with 1981 shows that on a statewide basis investment in total utility plant and construction increased by 35.2%. On an industry basis, electric plant investment had the largest increase with a 48.2% change ($9.6 billion). This difference is primarily attributable to the investments made by various electric companies in two nuclear stations–Shoreham and Nine Mile Point 2. Plant investment to serve gas customers increased $780 million, almost 26%, while investment in water plant increased $60 million, or 25%. Telephone plant investment increased by the lowest rate for all the major utility industries; the increase was 19.6% over 1981 investment, a dollar increase of $2.8 billion. Telephone plant growth has been affected by the AT&T divestiture, as some plant investment included in 1981 balances was later transferred to unregulated subsidiaries of AT&T Inc. (e.g. Customer Premises Equipment). Additionally, the FCC's gradual deregulation of the telecommunications industry through accounting and regulatory reforms since 1981 has slowed the growth in plant investment: items once capitalized are now being expensed (e.g. station connections), and services once offered under regulation are now detariffed and subject to competition (e.g. enhanced service offerings).

Revenues

The 1985 composite figures show a growth of $5.3 billion in revenues over 1981 amounts. Revenue growth was experienced throughout all industry sectors, except steam which had a decline of $40 million, or 11%.

The telephone industry shows a 42.7% increase in sales during the 5 year period with revenues rising from $6.3 billion to $9.1 billion. However, structural changes in this industry make company and industry-wide comparisons of little value. For example, after divestiture, AT&T Communications of New York, Inc. (ATTCOM) was organized at the beginning of 1984 to provide (among other functions) certain services that previously were the responsibility of New York Telephone Company. Part of ATTCOM's revenues are paid to local telephone companies to "access" or connect with local exchange lines. These access charges are in turn classified as revenues by the local telephone companies. This duplication of revenues results in an inflated industry composite figure distorting revenue comparisons. More accurate measurements can be found in the statements for the individual telephone companies and in the summary of individual utility industry operations.

Some duplication of revenue also occurs in the electric industry. A sale of electricity by one utility to another utility, who in turn resells it to its own customers, is revenue to the former and expense to the latter. While the effect on industry composite income is zero, the industry's revenue figures are overstated. For various reasons, these duplications have not been eliminated from the composite revenues but we do not believe this inclusion will distort comparisons to any significant degree.

The table below summarizes the changes in plant investment and revenues for the years 1981 and 1985.

Revenue and Plant Investment

Type of Service	1985 Average Gross Plant ($ Billions)	1985 Revenues ($ Billions)	1981 Average Gross Plant ($ Billions)	1981 Revenues ($ Billions)
Electric	$29.62	$10.48	$19.99	$ 8.82
Gas	3.79	4.54	3.01	3.59
Telephone	17.01	9.05	14.22	6.34
Water	.30	.13	.24	.09
Steam	.26	.33	.25	.37
TOTAL	$50.98	$24.52	$37.70	$19.21

Source and Use of Funds

The New York State utility companies raised $6.03 billion of new capital in 1985. The monies were used mainly to fund construction projects and to reacquire high coupon debt or retire maturing debt. In 1981, $4.60 billion was raised in the capital markets. More funds were internally generated in 1985 than in 1981 as 51.0% of the companies' cash needs came from this source compared to 46.6% in 1981. Utilities also issued a greater proportion of long term debt compared to other securities in 1985 with a 32.1% share compared to 26.8% in 1981.

Funds were needed primarily to finance construction and debt retirement. Of these two, construction costs required a smaller proportion of the funds in 1985 than in 1981–63.1% vs. 71.8%, while debt retirement consumed 22.8% of available funds in 1985 compared to 19.5% in 1981.

This information is detailed in the next table.

Source and Application of Funds

	1985		1981	
	Dollars (Millions)	Percent	Dollars (Millions)	Percent
Funds Available				
Internally Generated (Net of Dividends)	$3,079	51.0	$2,145	46.6
Long-term Debt	1,934	32.1	1,232	26.8
Preferred and Common Stock	436	7.2	737	16.0
Short-term Debt & Miscellaneous	583	9.7	488	10.6
Total	$6,032	100.0%	$4,602	100.0%
Funds Applied				
Construction Expenditures	$3,805	63.1	$3,302	71.8
Retirement of Debt	1,376	22.8	899	19.5
Other	851	14.1	401	8.7
Total	$6,032	100.0%	$4,602	100.0%

Capitalization

The aggregate capitalization of the regulated electric, gas, telephone, water and steam industries in New York State increased $9.4 billion (32.5%) over the $28.9 billion at year end 1981. Securities were issued in about the same proportions as the historic ratios, and, consequently, there has been little change in the composite capital structure since 1981. The 1981 and 1985 capitalization of the composite utility industries and the components' respective percentage shares appear in the next table.

Capitalization

	1985		1981	
Components of Capitalization	$ Billions	Percent	$ Billions	Percent
Debt (excludes Short-Term Debt)	$16.82	44.0%	$12.75	44.2%
Preferred Stock	2.73	7.1	2.39	8.3
Common Equity	18.68	48.9	13.73	47.5
Total	$38.23	100.0%	$28.87	100.0%

Earnings available for Common, Dividends, and Payout Ratios

Earnings Available for Common

Earnings improved substantially for the regulated utilities in the period under review as earnings available for common grew from $1.73 billion in 1981 to $2.69 billion in 1985. This represents an increase in the earnings available for common equity of $.96 billion, 55.5% greater than 1981 earnings.

Common Dividends and Payout Ratios

As earnings grew during the period, so did the dividends that were declared on the common stock of most utilities. The major New York State utilities* declared $1.53 billion in common dividends in 1985. This amount is $.50 billion (49%) greater than the $1.03 billion paid in 1981.

Overall the rate of dividends declared out of earnings available for common shareholders did not change much when comparing 1985 with 1981. Excluding LILCO, which omitted its dividends in 1984 and 1985, the composite payout ratio was 70.6 in 1985 compared to 67.1 in 1981.

The next table summarizes the earnings available for the common shareholders of New York's major utility companies, the dividends declared and the payout ratios for the years 1985 and 1981.

EARNINGS AVAILABLE, DIVIDENDS AND PAYOUT RATIOS

1981 and 1985

	Earnings available		Common Dividends		Payout Ratio	
	1985	1981	1985	1981	1985	1981
	($ Thousands)		($ Thousands)			
Combination Companies**	$1,248,418	$ 790,546	$ 803,370	$ 444,086	64.4	56.2
Straight Gas Companies	75,198	51,118	51,928	33,200	69.1	64.9
Telephone Companies	829,234	681,299	669,002	545,011	80.7	80.0
Water Companies	14,273	6,601	6,736	3,514	47.2	53.2
Total**	$2,167,123	$1,529,564	$1,531,036	$1,025,811	70.6	67.1

It should be noted that calculations measuring rates of return on investment, returns on equity, etc., that are contained in this book may not correspond to those derived by the Public Service Commission in formal cases. Differences may occur because this publication relies exclusively on data as reported by the companies while the Commission may have more current information available, use forecasted figures or make adjustments to historic book amounts.

The information which follows is presented by type of utility service; comparisons made in these sections typically are based on the two most current years, 1984 and 1985.

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* The activities of LILCO are omitted from the figures shown for common dividends declared and payout ratios since inclusion of that company, which declared common dividends of $150.3 million in 1981 but none in 1985, would lead to inconsistent results and, therefore, invalid comparisons.

**Excludes Long Island Lighting Company.

THE ELECTRIC INDUSTRY
HIGHLIGHTS

Plant, Revenue and Customers

The electric industry in New York State is comprised mainly of seven privately owned companies. Consolidated Edison Company of New York, Inc. is by far the largest of the seven, accounting for over 40% of electric revenues, net electric plant in service and total number of electric customers. Niagara Mohawk Power Corporation is the next largest, with 20% of total revenues, 23% of net plant and 21% of all electric customers.

As a group, the seven electric companies in 1985 served an average of 6.55 million customers, recorded $10.5 billion in revenues from the sale of electricity and have invested $13.8 billion in electric plant. Electric revenues declined by $87 million (0.8%) primarily because of a decrease in sales for resale of $170.7 million (20.5%). This severe drop caused by: (a) increased importation of Canadian hydroelectric power; (b) lower sales to neighboring states' power pools because of their system upgradings; and (c) a general decline in oil prices which both reduced electricity prices and made resale sales less economic.

Composite sales of the seven companies to residential, and commercial and industrial customers were virtually the same in 1985 as in 1984.

The following table lists the seven electric companies and their relative customers, net plant and revenues for 1985. Later sections provide more detail and prior year comparisons on the selected operating results summarized below.

ELECTRIC COMPANIES IN NEW YORK STATE IN 1985

Name	Revenues	% of Total	Net Electric Plant in Service	% of Total	Customers	% of Total
Consolidated Edison Co. of New York, Inc.	$ 4,419,118,403	42.2	$ 5,710,331,016	41.3	2,806,336	42.9
Niagara Mohawk Power Corporation	2,078,134,522	19.8	3,182,942,373	23.0	1,398,413	21.4
Long Island Lighting Company	1,679,391,113	16.0	1,365,907,786	9.9	945,623	14.4
New York State Electric & Gas Corporation	1,051,578,366	10.0	2,303,772,091	16.6	699,654	10.7
Rochester Gas and Electric Corporation	473,553,467	4.5	656,597,442	4.7	304,785	4.7
Central Hudson Gas & Electric Corporation	436,652,041	4.2	302,281,911	2.2	226,573	3.5
Orange and Rockland Utilities, Inc.	338,114,859	3.3	317,566,100	2.3	163,959	2.4
	$10,476,542,771	100.0	$13,839,398,719	100.0	6,545,343	100.0

Revenues, Sales and Customer Costs

Revenues and Sales

Sales of electricity totaled $10.5 billion in 1985. As the following table shows, the primary categories of electric sales to ultimate customers increased, as did revenue from other sources; however, these increases were not sufficient to offset the lower revenues from resale sales.

	Electric Operating Revenues			
	1985		1984	
Source	$ Millions	%	$ Millions	%
Residential	$ 3,504.1	33.4	$ 3,483.4	32.9
Commercial and Industrial	5,675.5	54.1	5,664.2	53.6
Street and Highway Lighting	88.0	0.8	85.8	0.8
Other	545.1	5.2	495.8	4.6
For Resale	663.9	6.3	834.6	8.1
Total	$10,476.5	100.0%	$10,563.8	100.0%

Electric operating results from the sale of power to ultimate consumers (which excludes sales for resale) did not vary significantly from those experienced in 1984. Both revenues and kilowatt hour sales increased but by less than one percent in each case. Revenues rose by 0.4% ($38.1 million) and kilowatt hour sales increased by 0.8% (746 million kwhs.).

Overall, revenues from the sale of energy decreased by $132.6 million,* kwhs sold declined by 0.6 billion, and the cost per kwh sold dropped from 9.0 cents to 8.9 cents.

The above sales figures for 1985 and 1984 are detailed by type of customer in the following two tables:

Electric Revenues and Sales
Amounts

	1985			1984		
Type of Customer	Electric Revenues (Millions)	Kwh Sold (Millions)	Cost Per Kwh Sold (Cents)	Electric Revenues (Millions)	Kwh Sold (Millions)	Cost Per Kwh Sold (Cents)
Residential	$ 3,504.1	31,424.5	11.2	$ 3,483.4	31,524.3	11.0
Commercial & Industrial	5,675.5	61,562.4	9.2	5,664.2	60,790.0	9.3
Public Street & Highway Lighting	88.0	606.3	14.5	85.8	617.7	13.9
Other Sales of Electricity except Resale Sales	215.6	2,679.0	8.0	211.7	2,593.4	8.2
Total Sales to Ultimate Customers	9,483.2	96,272.2	9.9	9,445.1	95,525.4	9.9
Sales for Resale	663.9	17,120.1	3.9	834.6	18,502.8	4.5
Total Sales	$10,147.1	113,392.3	8.9	$10,279.7	114,028.2	9.0

*(This reduction was offset by an increase of $45.4 million in non-energy related revenues and together, the total decline amounts to $87.2 million.)

Electric Revenues and Sales
Percent Increase/Decrease from 1984

Type of Customer	Electric Revenue	Kwh Sold	Cost Per Kwh Sold
Residential	.59%	(.32)%	1.81%
Commercial and Industrial	.20	1.27	1.07
Public Street & Highway Lighting	2.56	1.85	4.31
Other Sales of Electricity except Resale Sales	1.84	3.30	(2.43)
Total Sales to Ultimate Customers	.40	.78	–
Sales for Resale	(20.45)	(7.47)	(13.33)
Total Sales	(1.29)	(.56)	(1.11)

Customer Costs

Historically, residential customers served by companies located in the New York City region (*i.e.*, Con Edison, Orange and Rockland, Long Island Lighting – the "downstate companies") pay more per unit of consumption than customers served by upstate companies. This continued in 1985, although the price disparity narrowed. In 1984, downstate customers paid, on average, 14.75 cents per kwh while upstate customers paid 7.66 cents per kwh for a difference of 7.09 cents. In 1985, the gap closed to 6.37 cents per kwh as the relative unit prices were 14.49 cents and 8.12 cents. Electricity prices declined by .26 cents, or 1.8% for downstate customers but increased by .46 cents (6.0%) for upstate companies. Individually, Con Edison experienced the largest price decrease with a drop of .68 cents per kwh (4.1%), while New York State Electric and Gas had the largest increase with .63 cents (7.8%).

The following table shows average unit cost per company for electricity sold to *residential* customers.

Average Cost of Electricity to Residential Customers

Company	Cents Per KWH Sold 1985	Cents Per KWH Sold 1984	Percent Increase (Decrease)
Consolidated Edison	15.82	16.50	(4.1)%
Orange and Rockland	12.95	13.30	(2.6)
Long Island Lighting	12.95	12.53	3.4
Central Hudson	11.69	11.39	2.6
Rochester Gas & Electric	8.40	8.04	4.5
New York State Electric & Gas	8.70	8.07	7.8
Niagara Mohawk	7.28	6.85	6.3

The following all-inclusive table details for each company the number of customers, amount of revenue and kilowatt hours sold, the average annual bill, usage and cost per kilowatt hour sold by type of customer.

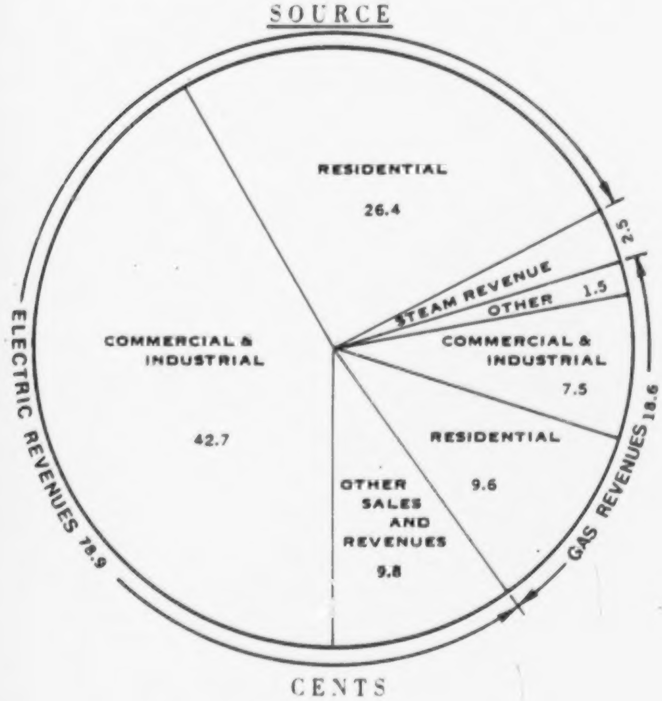
Combination Companies — Electric Service
Average Annual Bill Data
1985

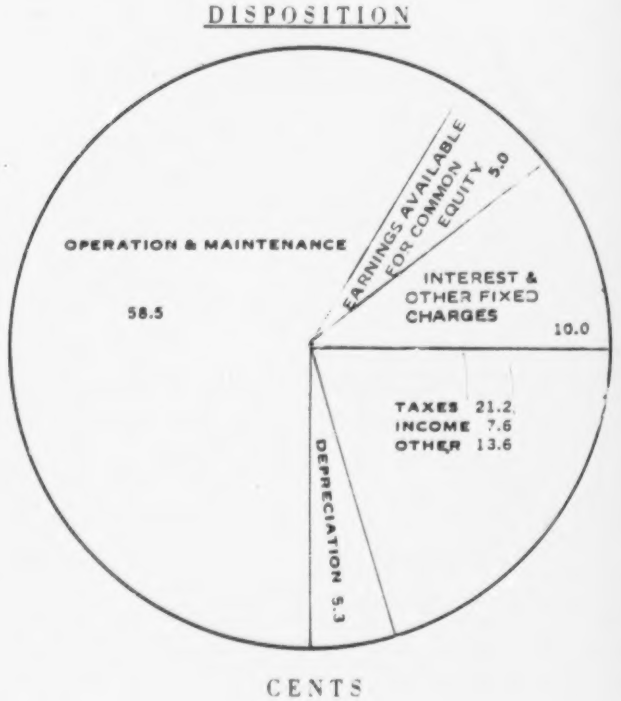
	Average Number of Customers (Thousands)	Operating Revenues (Millions)	Kilowatt-Hours Sold (Millions)	Average Annual Bill Per Customer	Average Usage Per Customer (Thousand Kwh)	Average Revenue Per Kwh Sold (Cents)
			TOTAL			
Central Hudson	227	$ 437	5,001	$1,927	22.1	8.73
Consolidated Edison	2,806	4,419	32,174	1,575	11.5	13.74
Long Island Lighting	946	1,679	14,024	1,776	14.8	11.97
New York State E&G	700	1,052	16,426	1,503	23.5	6.40
Niagara Mohawk	1,398	2,078	34,534	1,486	24.7	6.02
Orange & Rockland	164	338	4,124	2,062	25.2	8.20
Rochester G&E	305	474	7,110	1,554	23.3	6.66
Composite	6,545	$10,476	113,392	$1,601	17.3	9.24
			RESIDENTIAL CUSTOMERS			
Central Hudson	198	$ 144	1,236	$ 731	6.3	11.69
Consolidated Edison	2,449	1,281	8,097	523	3.3	15.82
Long Island Lighting	851	773	5,970	909	7.0	12.95
New York State E&G	625	401	4,615	642	7.4	8.70
Niagara Mohawk	1,259	643	8,836	510	7.0	7.28
Orange & Rockland	145	107	823	736	5.7	12.95
Rochester G&E	275	155	1,847	564	6.7	8.40
Composite	5,801	$3,504	31,424	$ 604	5.4	11.15
			COMMERCIAL AND INDUSTRIAL			
Central Hudson	26	$ 206	2,357	$7,846	89.9	8.73
Consolidated Edison	356	2,760	21,015	7,748	59.0	13.13
Long Island Lighting	91	845	7,368	9,328	81.4	11.46
New York State E&G	65	362	5,489	5,586	84.8	6.59
Niagara Mohawk	136	1,139	20,573	8,402	151.6	5.54
Orange & Rockland	19	131	1,354	6,959	71.8	9.69
Rochester G&E	27	232	3,406	8,525	124.9	6.82
Composite	720	$5,676	61,562	$7,888	85.6	9.22
			PUBLIC STREET AND HIGHWAY LIGHTING			
	(Units)					
Central Hudson	191	$ 3	24	$16,596	128.9	12.87
Consolidated Edison	166	0.6	5	3,607	27.5	13.13
Long Island Lighting	4,225	19	178	4,420	42.2	10.48
New York State E&G	1,036	13	101	12,110	97.8	12.38
Niagara Mohawk	3,154	39	232	12,344	73.7	16.75
Orange & Rockland	400	4	19	8,878	47.2	18.80
Rochester G&E	237	11	46	44,560	195.4	22.80
Composite	9,409	$ 88	606	$ 9,356	64.4	14.52
			OTHER SALES TO PUBLIC AUTHORITIES			
Central Hudson	2,453	$ 26	277	$10,855	113.2	9.59
Consolidated Edison	999	43	395	43,555	395.6	11.01
Long Island Lighting	164	26	272	157,044	1,656.8	9.48
New York State E&G	9,100	79	1,179	8,701	129.6	6.72
Niagara Mohawk	4	0.07	4	16,587	959.8	1.73
Orange & Rockland	1	4	55	3,775,986	55,282.0	6.83
Rochester G&E	2,042	28	405	13,543	198.7	6.81
Composite	14,763	$206	2,589	$ 13,993	175.4	7.98
			RAILROADS AND RAILWAYS			
Consolidated Edison	4	$ 7	56			12.38
			INTERDEPARTMENTAL			
Central Hudson	1	$ 0.05	1			4.22
Long Island Lighting	1	0.40	8			4.97
New York State E&G	1	1.00	21			6.85
Orange & Rockland	1	0.10	3			4.88
			SALES FOR RESALE			
Central Hudson	5	$ 50	1,103			4.57
Consolidated Edison	4	106	2,606			4.06
Long Island Lighting	3	13	227			5.73
New York State E&G	10	171	5,021			3.41
Niagara Mohawk	149	189	4,888			3.87
Orange & Rockland	6	90	1,870			4.82
Rochester G&E	8	44	1,405			3.14

Combination Companies – Source and Use of Funds

The charts below show the major sources of revenues and the distribution of those revenues to pay expenses for the year 1985. Residential, commercial and industrial revenues are depicted individually for the electric and gas operations of the combination companies. Also shown separately in the Source chart are Other Sales and Revenues.

The Disposition chart depicts the use of revenues by type of operating cost, *i.e.*, operation and maintenance expenses, depreciation expense and taxes, for all seven companies.





The next table contains information similar to that shown in the chart but in a tabular form and compares 1985 to 1984's results.

Source and Disposition of the Combination Companies' Revenues

Source	1985 Cents	1984 Cents
Electric Revenue:		
Residential	26.4	25.7
Commercial & Industrial	42.7	41.8
Other	9.8	10.5
Gas Revenue:		
Residential	9.6	9.7
Commercial and Industrial	7.5	7.6
Other	1.5	1.9
Steam Revenue	2.5	2.8
Total	100.0	100.0
Disposition		
Operation and Maintenance	58.5	61.3
Depreciation	5.3	4.6
Taxes		
Income	7.6	7.2
Other	13.6	12.9
Interest & Other Fixed Charges—Net	10.0	9.1
Earnings Available for Common Equity	5.0	4.9
Total	100.0	100.0

There were no dramatic changes in the source of revenues in 1985. However, operation and maintenance expenses declined by 2.8 cents of the revenue dollar, while increases in depreciation (.7 cents), taxes (1.1 cents), and interest charges (.9 cents) offset the drop in operating costs. The reduction in operation & maintenance is primarily the result of lower fuel prices experienced in 1985. The combination companies' fuel expense dropped $291 million in 1985, a reduction of almost 12%.

Supply and Disposition of Electric Energy

In 1985, the electric industry of New York State supplied amost 124.0 billion kilowatt hours of electricity. While this amount is virtually the same as 1984 supply figures, the source of this energy, *i.e.* generation mix and purchases, was different. The electric industry generated 82.4 billion kwh in 1985 or almost 4.0 billion kwh more than in the prior year. This additional generation displaced a like amount of purchases.

The mix of generation was considerably different in 1985 as nuclear power comprised a greater share. In fact, nuclear generation provided over 12% of the State's power needs in 1985 with 15.2 billion kwh of energy. This represents an increase of 5.0 billion kwh, or 48%, over 1984 amounts. All three companies with nuclear generating stations improved their output in 1985, in particular, Con Edison increased its nuclear production from Indian Point Unit No. 2 by 3.2 billion kwh, or 50%.

The next table details the amount of energy supplied by each type of generation for the years 1984 and 1985, along with purchases and disposition of that energy.

SOURCE AND DISPOSITION OF ELECTRIC ENERGY – 1985 and 1984

SOURCE	Kilowatt Hours (Billions) 1985	Kilowatt Hours (Billions) 1984	Percent Increase (Decrease)
GENERATION:			
Steam	63.56	64.13	(0.9)
Nuclear	15.20	10.25	48.3
Hydro-Conventional	3.43	3.88	(11.6)
Other	0.24	0.43	(44.2)
TOTAL GENERATION	82.44	78.69	4.8
PURCHASES	41.53	45.34	(8.4)
TOTAL AVAILABLE ELECTRICITY	123.96	124.03	(0.1)
DISPOSITION			
Sales to Ultimate Consumers	96.27	95.53	0.8
Sales for Resale	17.12	18.50	(7.5)
Use by Companies and Unaccounted For	10.57	9.99	5.8
Other	–	–	
TOTAL ELECTRICITY CONSUMED	123.96	124.03	(0.1)

Gross Plant Investment

The electric industry increased its investment in gross utility plant (year end balance) by $2.4 billion in 1985. A large part of this increase relates to the construction of nuclear production facilities at Shoreham and Nine Mile Point 2. Compared to 1984 figures, electric plant investment in 1985 was almost 9% above the prior year's balance. Investment in gas plant increased at slightly more than that rate, 5.4%.

Steam plant investment was $8.8 million lower in 1985 than in 1984. This decline is primarily the result of the cessation of steam operations (with Commission approval) by Rochester Gas and Electric Corporation in December 1985.

The amount of utility investment by industry and the increase/decrease in dollars and percents over the 1984-85 period is detailed in the next table.

Gross Plant and Revenues

Gross Plant Investment
Years Ended December 31, 1984 and 1985

	1985		1984		Increase	
	$ Millions	%	$ Millions	%	$ Millions	%
Electric Plant	$30,009.8	89.6	$27,565.2	89.3	$2,444.6	8.9
Gas Plant	2,293.3	6.9	2,176.8	7.1	116.5	5.4
Steam Plant	249.4	0.7	258.2	0.8	(8.8)	(3.4)
Common Plant	930.6	2.8	878.4	2.8	52.2	5.9
Total	$33,483.1	100.0%	$30,878.6	100.0%	$2,604.5	8.4

Capitalization

The capitalization of the electric industry rose by $2.02 billion (8.2%) to $26.61 billion in 1985. Common equity increased by $993 million (9.0%) and long term debt was $1.03 billion greater (9.4%) than in 1984. The electric industry's investment in preferred stock dropped by $5.9 million (0.2%) in 1985.

The following table summarizes the capitalization of the electric industry by components for 1985.

Capitalization

	1985		1984	
	Millions	%	Millions	%
Long-Term Debt	$11,952.7	44.9	$10,925.1	44.4
Preferred Stock	2,601.5	9.8	2,607.4	10.6
Common Equity	12,055.3	45.3	11,062.0	45.0
Total	$26,609.5	100.0%	$24,594.5	100.0%

Earnings, Dividends and Payout Ratios

Earnings

The earnings available to the common stockholders of the seven combination companies amounted to $1.689 billion in 1985, an increase of almost $105 million or 6.6% over the $1.584 billion earned in 1984. (In determining earnings available for common, LILCO's total dividend requirement on its cumulative preferred stock was deducted from its income in both years even though those dividends were not declared in full.)

The following table details the earnings by company and the associated return on average common equity for the years 1985 and 1984.

Income Available for Common Stockholders and Return on Common Equity

	1985		1984	
Company	Income Available for Common (Thousands)	Return on Common Equity (Percent)	Income Available for Common (Thousands)	Return on Common Equity (Percent)
Central Hudson	$ 53,488	16.1%	$ 44,679	15.7%
Consolidated Edison	525,378	13.2	581,322	15.1
Long Island Lighting	440,563	16.3	340,264	15.3
New York State Electric & Gas	183,207	14.3	184,006	15.7
Niagara Mohawk	351,871	14.9	308,274	14.9
Orange & Rockland	35,473	13.6	34,431	13.7
Rochester Gas & Electric	99,001	15.7	91,405	16.3
Total	$1,688,981	14.6	$1,584,381	15.2

On a per common share basis earnings of the combination companies rose nine cents in 1985, reaching $3.65 from the reported 1984 level of $3.56. Four of the companies experienced gains in their earnings per common share, with LILCO recording the largest increase. Central Hudson's and Niagara Mohawk's earnings rose 6.9% and 3.6% respectively. These three companies have major construction programs in progress and the Allowance for Funds Used During Construction contributed a significant portion of their earnings. Orange and Rockland was the other gainer, increasing its earnings per share by 1.8%.

The next table shows the earnings available for common stockholders on an average per share basis and the percent change over the 1984-1985 period.

Earnings Per Average Common Share and Percent Changes, 1985-1984

Company	Earnings Per Average Common Share 1985	Earnings Per Average Common Share 1984	Percent Change Increase (Decrease)
Central Hudson	$4.63	$4.33	6.9%
Consolidated Edison	4.19	4.48	(6.5)
Long Island Lighting	3.98	3.18	25.2
New York State Electric & Gas	3.45	3.66	(5.7)
Niagara Mohawk	2.89	2.79	3.6
Orange and Rockland	2.81	2.76	1.8
Rochester Gas & Electric	3.65	3.65	–
Composite	3.65	3.56	2.5

Dividends and Payout Ratios

Five of the combination companies increased their dividends in 1985. Consolidated Edison's rate of increase was the largest, 11.8%, followed by Rochester at 9% and New York State Electric and Gas, Niagara Mohawk, Orange and Rockland and Central Hudson, all declaring dividends of 5% to 6% over those of 1984. LILCO omitted its common stock dividend in 1985 and 1984. Rochester's common dividend per share for 1984 reflects four quarterly dividends even though five were recorded in that year.

The next table shows earnings and dividends per share and the payout ratios for the seven companies; on a composite basis the companies paid out 47.7% and 44.9% of their earnings in 1985 and 1984. However, if LILCO was excluded (again because of the two year period in which no dividends were declared) the composite payout ratios increase to 64.2 in 1985 and 57.5 in 1984.

Income Available for Common Equity, Common Dividends Declared and Payout Ratio

1985 and 1984

	1985			1984		
Company	Earnings per Common Share	Common Dividends Declared per Share	Payout Ratio	Earnings per Common Share	Common Dividends Declared per Share	Payout Ratio
Central Hudson	$4.63	$2.94	63.5	$4.33	$2.80	64.7
Consolidated Edison	4.19	2.37	56.6	4.48	2.12	47.3
Long Island Lighting	3.98	–	–	3.18	–	–
New York State Electric & Gas	3.45	2.49	72.2	3.66	2.35	64.2
Niagara Mohawk	2.89	2.07	71.6	2.79	1.96	70.3
Orange and Rockland	2.81	2.09	74.4	2.76	1.98	71.7
Rochester Gas and Electric	3.65	2.28	62.5	3.65	2.09	57.3
Composite	3.65	1.74	47.7	3.56	1.60	44.9

Section I of this book provides more detailed information on each of the seven electric utilities.

THE GAS DISTRIBUTION INDUSTRY
HIGHLIGHTS

The major portion of the gas distribution industry in New York State is represented by 13 gas utilities, six of which are companies that distribute gas only, and the gas departments of the seven combination companies.

The straight gas companies accounted for 45% of the total 1985 revenues, provided service to 44% of all customers and had 41% of the total investment in net gas plant. The following table summarizes 1985's revenues, net gas plant investment and customers for each company.

GAS UTILITIES IN NEW YORK STATE – 1985

Company	Revenues ($ Thousands)	% of Total	Net Gas Plant ($ Thousands)	% of Total	Customers	% of Total
Straight Gas Companies						
Brooklyn Union Gas Company, The	$1,004,628	22.1%	$ 670,415	23.8%	1,078,936	25.5%
National Fuel Gas Distribution Corporation	873,526	19.3	445,895	15.8	689,946	16.3
Columbia Gas of New York, Inc.	80,449	1.8	27,320	1.0	64,618	1.5
Corning Natural Gas Corporation	44,578	1.0	5,516	0.2	11,914	0.3
St. Lawrence Gas Company, Inc.	36,863	0.8	7,789	0.3	10,631	0.3
Syracuse Suburban Gas Company, Inc.	21,012	0.4	4,967	0.2	4,068	0.1
Total	$2,061,056	45.4%	$1,161,902	41.3%	1,860,113	44.0%
Gas Department of Combination Companies						
Consolidated Edison Co. of New York, Inc.	$ 773,511	17.0%	$ 621,495	22.1%	1,020,274	24.1%
Niagara Mohawk Power Corporation	598,536	13.2	379,242	13.5	437,206	10.3
Long Island Lighting Company	438,420	9.7	271,234	9.6	404,349	9.5
Rochester Gas and Electric Corporation	269,562	5.9	163,973	5.8	238,371	5.6
New York State Electric & Gas Corporation	190,202	4.2	102,082	3.6	131,182	3.1
Orange and Rockland Utilities, Inc.	137,930	3.0	74,517	2.6	93,443	2.2
Central Hudson Gas & Electric Corporation	68,150	1.5	40,232	1.4	48,725	1.2
Total	$2,476,311	54.6%	$1,652,775	58.7%	2,373,550	56.0%
Grand Total	$4,537,367	100.0%	$2,814,677	100.0%	4,233,663	100.0%

Revenues and Sales

As a group, the gas companies reported less revenues and lower gas sales in 1985 than in 1984. Revenues decreased by $225.5 million (4.7%) and the volume of gas sales declined by 28.8 million Mcf (4.1%). Of the 13 gas companies, only Brooklyn Union, and Con Edison had an increase in revenues and volume sales. All other companies showed decreases in both gas revenues and volume sales. Corning Gas was the most severely affected company with declines of 17.4% in revenues and 19.3% in gas sales volume.

The overall decline in the volume of gas sold in 1985 is attributable to warmer weather conditions, price competition from oil and an overall drop in sales of gas by the combination companies to their electric departments. The latter use gas as boiler fuel to generate electricity when gas supply is available and the price of gas per btu is lower than oil. The current decline in oil prices has made gas boiler fuel an uneconomic choice. Revenues and sales statistics are detailed in the next table.

Gas Distribution Industry
1985 and 1984 Revenues and Sales

Company	Gas Revenues 1985	Gas Revenues 1984	Gas Revenues % Change	Gas Sales 1985	Gas Sales 1984	Gas Sales % Change
	($ Millions)			(Mcf Millions)		
Brooklyn Union	$1,004.6	$1,003.7	0.1%	113.7	110.1	3.3%
National Fuel	873.5	947.2	(7.8)	145.4	156.0	(6.8)
Columbia	80.4	90.4	(11.1)	13.3	14.5	(8.3)
Corning	44.6	54.0	(17.4)	9.6	11.9	(19.3)
St. Lawrence	36.9	38.0	(2.9)	7.9	8.0	(1.3)
Syracuse Suburban	21.0	22.1	(5.0)	4.5	4.5	–
Total	$2,061.1	$2,155.4	(4.4)	294.4	305.0	(3.5)
Con Edison	$ 773.5	$ 763.1	1.4	102.3	98.5	3.9
Niagara Mohawk	598.5	651.1	(8.1)	105.5	111.8	(5.6)
Long Island Lighting	438.4	483.8	(9.4)	67.3	76.2	(11.7)
Rochester G&E	269.6	291.6	(7.5)	44.1	46.5	(5.2)
New York State E&G	190.2	207.8	(8.5)	31.6	34.5	(8.4)
Orange & Rockland	137.9	141.7	(2.7)	22.9	23.8	(3.8)
Central Hudson	68.1	68.3	(0.3)	9.6	10.2	(5.9)
Total	$2,476.3	$2,607.4	(5.0)	383.3	401.5	(4.5)
Grand Total	$4,537.4	$4,762.8	(4.7)%	677.7	706.5	(4.1)

Customer Data

The cost of gas per mcf sold in total decreased in 1985 as compared to 1984, but residential customers saw a slight rise in their cost of gas. In addition to the overall gas price decline in 1985, revenues and consumption of gas decreased by 4.7% and 4.1%, respectively. The next table shows the cost per Mcf sold for the years 1984 and 1985 along with revenues and usage by type of customer.

Gas Revenues, Sales and Revenue per Mcf Sold

Type of Customer	1985 Revenues ($ Millions)	1985 Sales (Mcf Millions)	1985 Revenue per Mcf Sold (Dollars)	1984 Revenues ($ Millions)	1984 Sales (Mcf Millions)	1984 Revenue per Mcf Sold (Dollars)
Residential	$2,637.4	344.8	$7.64	$2,733.7	359.5	$7.60
Commercial & Industrial	1,589.6	278.5	5.71	1,675.6	285.9	5.86
Other	312.4	54.4	5.74	353.6	61.1	5.79
Total	$4,537.4	677.7	$6.70	$4,762.8	706.5	$6.74

The revenues, sales, customers, and bill data for each of the gas utilities are shown for the year 1985 on the next two tables–one table for the gas departments of the combination companies and one for the straight gas companies.

GAS INDUSTRY
COMBINATION COMPANIES – GAS SERVICE
AVERAGE ANNUAL BILL DATA
1985

Company	Average Number of Customers (Thousands)	Operating Revenues ($ Millions)	Mcf Sold (Thousands)	Average Annual Bill Per Customer	Average Usage per Customer (Mcf)	Average Revenue per Mcf
			TOTALS			
Central Hudson	49	$ 68	9,592	$ 1,399	197	$7.10
Consolidated Edison	1,020	774	102,312	758	100	7.56
Long Island Lighting	404	438	67,312	1,084	166	6.51
New York State E&G	131	190	31,568	1,450	241	6.03
Niagara Mohawk	437	599	105,467	1,369	241	5.68
Orange & Rockland	93	138	22,937	1,476	245	6.01
Rochester G&E	238	270	44,096	1,131	185	6.11
Composite	2,373	$2,476	383,284	1,043	161	6.46
			RESIDENTIAL CUSTOMERS			
Central Hudson	44	$ 29	3,539	$ 661	81	$8.19
Consolidated Edison	935	394	43,093	421	46	9.14
Long Island Lighting	371	226	28,930	609	78	7.81
New York State E&G	112	89	13,311	790	119	6.66
Niagara Mohawk	404	295	46,040	730	114	6.41
Orange & Rockland	86	76	11,999	891	140	6.38
Rochester G&E	221	162	25,095	732	114	6.44
Composite	2,173	$1,271	172,007	585	79	7.39
			COMMERCIAL AND INDUSTRIAL CUSTOMERS			
Central Hudson	4	$ 30	5,082	$ 6,764	1,133	$5.97
Consolidated Edison	84	322	53,509	3,833	636	6.03
Long Island Lighting	33	127	19,033	3,822	524	6.66
New York State E&G	18	81	14,804	4,543	834	5.45
Niagara Mohawk	33	281	54,687	8,498	1,653	5.14
Orange & Rockland	8	57	10,286	7,518	1,349	5.57
Rochester G&E	16	92	16,575	5,605	1,005	5.58
Composite	196	$ 990	173,976	5,051	888	5.69
			OTHER SALES TO PUBLIC AUTHORITIES			
Central Hudson	0.3	5	816	$12,611	2,267	$5.56
Consolidated Edison	1.0	36	5,709	26,717	4,201	6.36
New York State E&G	1.0	19	3,418	16,057	2,950	5.44
Rochester G&E	1.0	14	2,427	13,830	2,481	5.57
			INTERDEPARTMENTAL			
	(Units)					
Central Hudson	1	$ 1.00	155			$5.58
Long Island Lighting	1	83.00	19,350			4.28
New York State E&G	1	0.18	31			5.72
Orange & Rockland	1	0.07	16			4.43
			SALES FOR RESALE			
New York State E&G	1	0.02	4			5.65
Niagara Mohawk	2	19.00	4,740			3.94
Orange & Rockland	2	2.00	636			4.58

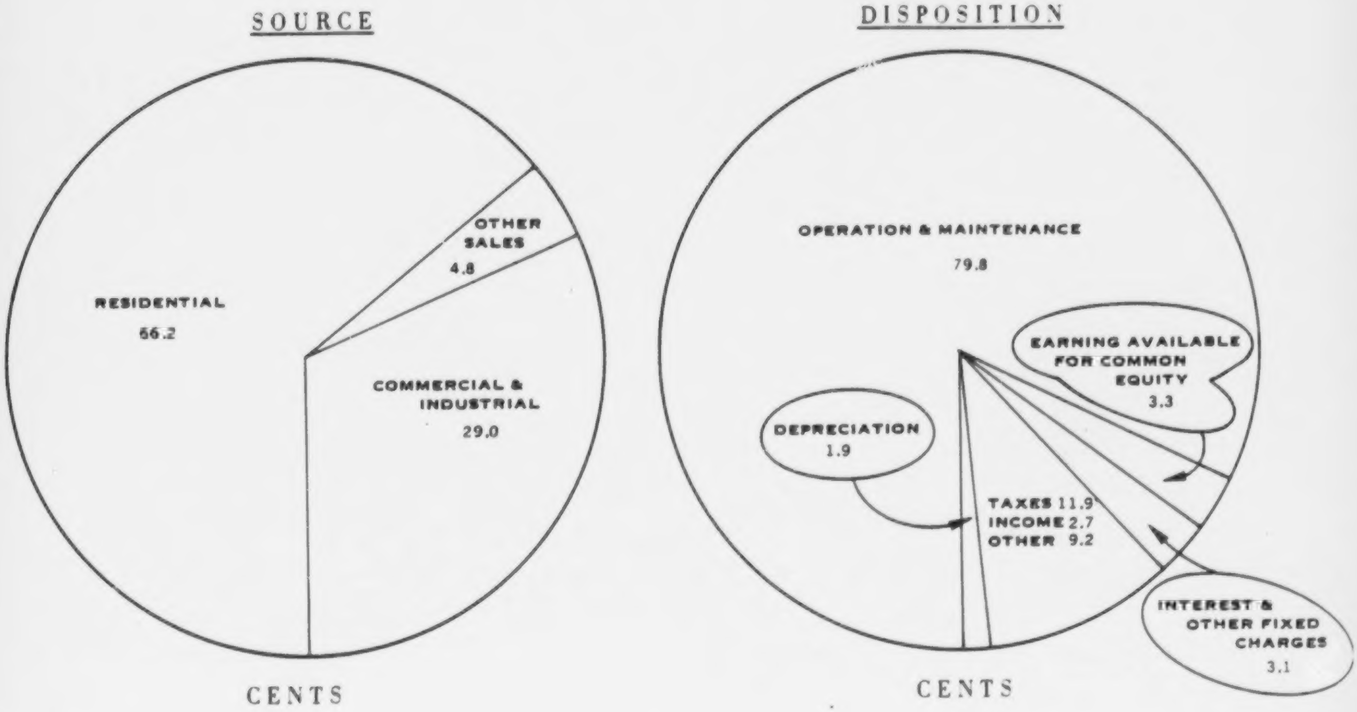
GAS INDUSTRY
STRAIGHT GAS COMPANIES
AVERAGE ANNUAL BILL DATA
1985

Company	Average Number of Customers (Thousands)	Operating Revenues ($ Millions)	Mcf Sold (Thousands)	Average Annual Bill Per Customer	Average Usage per Customer (Mcf)	Average Revenue per Mcf
			TOTAL			
Brooklyn Union	1,079	$1,005	113,649	$ 931	105	$8.84
Columbia Gas	65	80	13,327	1,245	206	6.04
Corning Gas	12	45	9,599	3,742	806	4.64
National Fuel Gas	690	874	145,401	1,266	211	6.01
St. Lawrence Gas	11	37	7,912	3,467	744	4.66
Syracuse Suburban	4	21	4,498	5,165	1,106	4.67
Composite	1,860	2,061	294,386	$ 1,108	158	7.00
			RESIDENTIAL CUSTOMERS			
Brooklyn Union	1,044	$ 779	79,351	$ 746	76	$9.81
Columbia Gas	59	44	6,947	747	119	6.30
Corning Gas	11	8	1,496	696	136	5.12
National Fuel Gas	649	525	83,211	809	128	6.31
St. Lawrence Gas	10	7	1,375	781	144	5.43
Syracuse Suburban	3	2	396	725	127	5.73
Composite	1,776	$1,365	172,776	$ 769	97	7.90
			COMMERCIAL AND INDUSTRIAL CUSTOMERS			
Brooklyn Union	32	$ 165	23,076	$ 5,190	727	$7.14
Columbia Gas	6	36	6380	5,918	1,047	5.65
Corning Gas	1	11	2,248	13,599	2,824	4.82
National Fuel Gas	41	339	62,191	8,240	1,513	5.45
St. Lawrence Gas	1	29	6,537	27,307	6,081	4.49
Syracuse Suburban	1	19	4,094	19,970	4,379	4.56
Composite	82	$ 598	104,525	$ 7,320	1,279	5.72
			OTHER SALES TO PUBLIC AUTHORITIES			
Brooklyn Union	3.0	42	6,318	$14,415	2,186	$6.59
Corning Gas	0.1	1	147	6,876	1,404	4.90
			SALES FOR RESALE			
	(Units)					
Brooklyn Union	1	16.00	4,905			$3.36
Corning Gas	2	25.00	5,707			4.42
Syracuse Suburban	1	0.03	8			4.31

Source and Use of Funds

The major source of revenue for the straight gas companies came from the sale of gas. The sources and disposition of the revenues for 1985 are shown in the following chart.

Straight Gas Companies



A comparison of the sources and disposition of the 1984 and 1985 revenue dollar appears in the next table. The two largest percent changes between these years were in depreciation and federal income taxes, with increases of 11.7% and 12.5%, respectively.

The Straight Gas Companies
Source and Disposition of Revenue
1985 and 1984

	1985 (Cents)	1984 (Cents)
Source		
Residential Sales	66.2	65.8
Commercial and Industrial Sales	29.0	29.9
Other Sales	4.8	4.3
Total	100.0	100.0
Disposition		
Operation & Maintenance Expense	79.8	80.9
Depreciation	1.9	1.7
Operating Taxes	9.2	8.8
Federal Income Tax	2.7	2.4
Interest & Other Fixed Charges—Net	3.1	3.0
Earnings Available for Common	3.3	3.2
Total	100.0	100.0

Gas Plant

Gross investment in plant by the gas industry in 1985 amounted to $3.8 billion. This represented an increase of $228.2 million (6.3%) during the year. This increase was almost evenly divided between the two segments of the gas industry, $116.5 million added by the combination companies and $111.7 million by the straight gas companies. The breakdown of total investment for the years 1985 and 1984 and the proportionate share of each segment to the total are shown in the table below.

Gross Plant Investment
December 31

	1985		1984		Increase	
Type of Utility	$ Millions	%	$ Millions	%	$ Millions	%
Combination Companies	$2,293.3	59.7%	$2,176.8	60.3%	$116.5	5.3%
Straight Gas Companies	1,545.6	40.3	1,433.9	39.7	111.7	7.8
Total	$3,838.9	100.0%	$3,610.7	100.0%	$228.2	6.3%

Average gross plant investment increased for both segments of the gas distribution industry in 1985, but while revenues also increased for the straight gas companies (by almost $150 million) the combination companies gas revenue dropped $374 million below the 1984 amount.

Revenues and average plant for the straight gas companies and the combination companies' gas departments are compared below for 1985 and 1984.

Average Gas Plant Investment per Dollar of Revenue

Type of Utility	1985 Average Gross Plant	1985 Revenues	1984 Average Gross Plant	1984 Revenues
	($ Millions)		($ Millions)	
Combination Companies	$2,235.1	$2,233.3	$2,130.1	$2,607.5
Straight Gas Companies	1,489.7	2,304.1	1,387.0	2,155.5
Total	$3,724.8	$4,537.4	$3,517.1	$4,762.8

Capitalization

The capitalization of the straight gas companies on a composite basis increased by 10.0%, from $1.053 billion in 1984 to $1.159 billion in 1985. Percentagewise there was a slight increase in the use of debt and corresponding reductions in preferred stock and common equity. The next table shows the components of capitalization for the years 1985 and 1984 and the proportionate share of each to the total.

Capitalization
Straight Gas Companies

	1985 $ Millions	1985 %	1984 $ Millions	1984 %
Long-Term Debt	$ 497.2	42.9%	$ 430.2	40.9%
Preferred Stock	77.3	6.7	78.9	7.5
Common Equity	584.1	50.4	543.8	51.6
Total	$1,158.6	100.0%	$1,052.9	100.0%

Earnings – Straight Gas Companies

Although earnings available for the common stockholders of the straight gas companies were down in 1985 from 1984 by $1.3 million (only Brooklyn Union showed increased 1985 earnings) common dividends declared increased 13.2%. Return on common equity decreased for all the straight gas companies.

Earnings Available for Common and Return on Common Equity

Company	1985		1984	
	Earnings Available for Common	Return on Common Equity	Earnings Available for Common	Return on Common Equity
Brooklyn Union	$51,849,859	14.3%	$48,194,530	14.7%
Columbia Gas	931,332	8.4	1,359,726	12.1
Corning Gas	471,473	12.3	500,503	13.6
National Fuel	20,671,324	13.4	24,523,847	14.3
St. Lawrence Gas	956,402	12.8	1,248,826	19.2
Syracuse Suburban	316,910	11.5	651,063	30.5
Composite	$75,197,300	13.3%	$76,478,495	14.7%

Common earnings and dividends declared per share and the associated payout ratios are detailed for the straight gas companies in the next table. Except for Brooklyn Union, however, the data relate to common shares that are wholly owned by parent companies (in the cases of Columbia, National Fuel and St. Lawrence) and to shares that are closely held (in the cases of Corning and Syracuse Suburban).

Common Earnings per Share, Dividends Declared per Share and Payout Ratios

Company	1985			1984		
	Common Earnings Per Share	Common Dividends Declared Per Share	Payout Ratio	Common Earnings Per Share	Common Dividends Declared Per Share	Payout Ratio
Brooklyn Union	$ 4.93	$ 3.17	64.3	$ 4.79	$ 3.05	63.7
Columbia Gas	5.01	6.10	117.9	7.31	8.15	110.3
Corning Gas	2.38	1.72	72.3	2.53	1.60	63.2
National Fuel	10,335.66	8,193.50	79.3	12,261.92	6,381.75	52.0
St. Lawrence Gas	2.20	1.25	56.8	2.87	1.00	34.8
Syracuse Suburban	7.55	4.00	53.0	15.50	3.00	19.4
Composite	6.60	4.56	69.1	6.99	4.20	60.1

Earnings and dividend information on the gas departments of the seven combination companies is located in the Electric Industry Highlights section of this book.

Detailed statements on all the class A and B gas utilities can be found in Section II of this book.

THE TELEPHONE INDUSTRY
HIGHLIGHTS

There are 41 telephone companies in New York State with annual operating revenues exceeding $250,000 (Class A companies). These companies range in size from New York Telephone with $6.6 billion in annual revenues to Fishers Island Telephone with $403,000.

As a group, these 41 companies experienced 4.5% growth in 1985, with revenues increasing by $393.0 million. Local service revenues increased by $274 million (6.9%), miscellaneous revenues (primarily Access Line Revenues) increased $338 million (16.1%), and toll revenues decreased by $218 million (8.5%).

As a result of vigorous competition in telecommunications, toll service pricing has been a major issue before the Commission. In particular, the Commission is trying to determine the proper charges to be levied on the interexchange companies (*e.g.* AT&T, SPRINT, MCI, etc.) for access to the telephone systems of the local networks, while at the same time avoiding the loss of toll revenues. To date, toll revenues have been fairly level to the independent telephone companies, although, in the latter part of 1985, the Commission lowered access charges and allowed companies to increase local rates by about 3%.

In addition to revenue growth, the telephone industry also experienced increases in net plant investment used to serve their customers and in the number of access lines in service: gross plant in service increased by $1.0 billion (9.3%). Approximately one-third of these expenditures were made to modernize the telephone network. Access lines increased by almost 338,000 (3.6%) during 1985.

Dominating the 41 Telecos are New York Telephone and AT&T Communications of New York, Inc. (ATTCOM) which, together, make up 94.0% of revenues, 89% of investment in net plant in service, and 91% of the access lines (ATTCOM provides interLATA and interstate toll service and therefore has no access lines).

The following table lists all 41 companies and ranks them according to revenues; also shown are investment in net plant and the number of access lines.

THE PRIVATELY OWNED TELEPHONE COMPANIES IN NEW YORK STATE – 1985

Company	Revenues (000)	Percent of Total	Net Plant in Service (000)	Percent of Total	Telephone Access Lines	Percent of Total
New York Telephone Company	$6,633,948	73.3	$10,666,915	83.4	8,819,528	90.7
AT&T Communications of New York, Inc.	1,877,465	20.7	667,252	5.2	–	–
Rochester Telephone Corporation	238,282	2.6	384,143	3.0	410,452	4.2
Continental Telephone Co. of N.Y., Inc.	140,889	1.5	240,422	1.9	210,998	2.2
ALLTEL New York, Inc.	42,998	*	71,224	*	76,550	1.0
Highland Telephone Company	25,480		44,359		39,410	*
Taconic Telephone Corporation	9,488		14,782		18,250	
Warwick Valley Telephone Company	8,356		9,748		14,382	
Chautauqua and Erie Telephone Corporation	5,472		10,395		8,660	
Ogden Telephone Company	5,428		12,871		14,830	
Sylvan Lake Telephone Company, Inc.	5,111		9,258		10,952	
Dunkirk and Fredonia Telephone Company	4,147		6,039		7,601	
Seneca-Gorham Telephone Corporation	3,442		6,981		6,911	
Empire Telephone Corporation	3,434		6,870		5,680	
Champlain Telephone Company, The	3,171		5,320		4,096	
Deposit Telephone Company, Inc.	3,028		5,619		6,221	
Ausable Valley Telephone Company	2,881		5,753		4,867	
Middleburgh Telephone Company, The	2,651		5,104		4,328	
Trumansburg Home Telephone Company	2,413		3,484		5,379	
State Telephone Company	2,346		1,485		6,108	
Delhi Telephone Company	2,240		3,451		3,861	
Berkshire Telephone Corporation	1,870		4,951		4,250	
Ontario Telephone Company, Incorporated	1,816		2,580		3,461	
Chazy and Westport Telephone Company	1,634		2,817		2,522	
Port Byron Telephone Company	1,587		2,381		2,522	
Vernon Telephone Company, Inc.	1,481		2,642		2,549	
Newport Telephone Company, Inc.	1,477		2,538		2,525	
Margaretville Telephone Co., Inc.	1,447		3,178		2,769	
Oneida County Rural Telephone Company	1,354		2,058		2,763	
Addison Home Telephone Company	1,308		2,619		2,679	
Germantown Telephone Company, Inc.	1,230		1,680		1,735	
Township Telephone Company, Inc.	1,103		2,790		4,436	
Edwards Telephone Company, Inc.	1,076		1,962		1,521	
Nicholville Telephone Company, Inc.	886		1,868		1,791	
Hancock Telephone Company, The	877		1,340		1,296	
Citizens Telephone Co. of Hammond, N.Y., Inc.	715		1,180		1,096	
Pattersonville Telephone Company	711		918		1,087	
Crown Point Telephone Corporation	534		624		726	
Cassadaga Telephone Corporation	482		530		1,587	
Clymer Telephone Company, Inc.	451		816		881	
Fishers Island Telephone Corporation, The	403		301		771	
TOTAL	$9,045,116	100%	$12,221,248	100%	9,722,031	100%

*Remaining companies each represent less than 1% of the total.

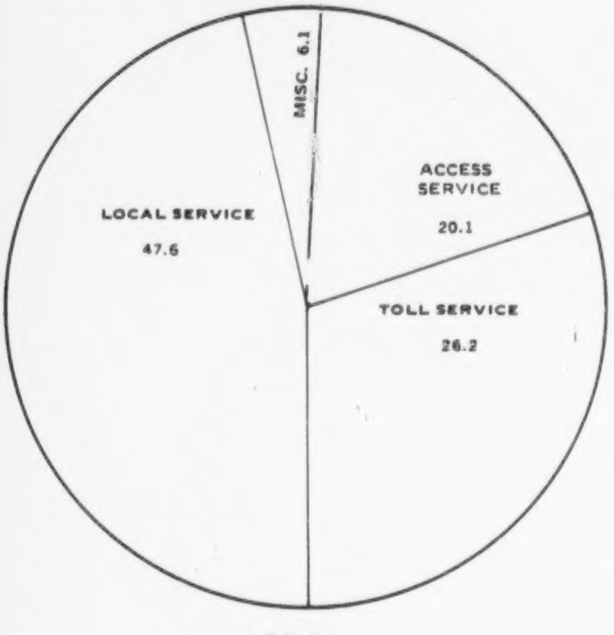
Sources and Disposition of Revenues

The following table reflects telephone operating revenues for 1984 and 1985, by type of service, *i.e.* local, access, toll and miscellaneous.

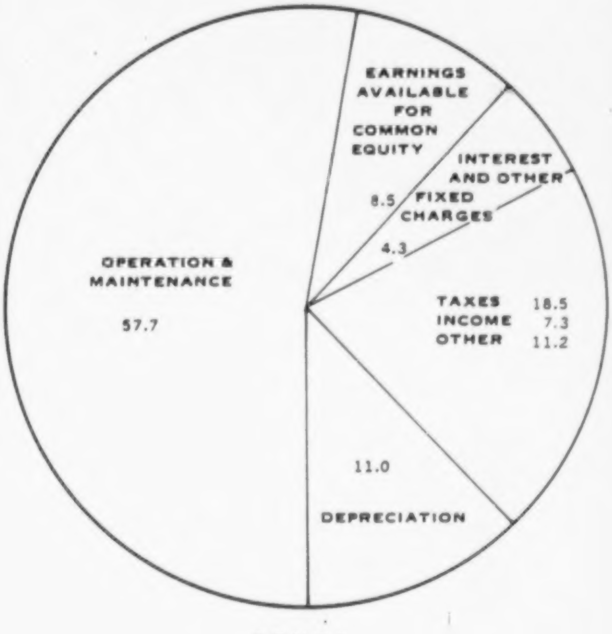
	Telephone Revenues			
	1985		1984	
Source	($ Millions)	% of Total	($ Millions)	% of Total
Local Service	$4,274	46.9%	$4,000	46.2%
Access Revenues	1,882	20.6	--	–
Toll Service	2,338	25.7	2,556	29.6
Miscellaneous	552	6.0	2,096	24.2
Total	$9,045	100.0%	$8,652	100.0%

Source and Disposition of Funds

The sources of telephone revenues and their disposition to pay operating expenses, etc. are depicted below in both pie chart and tabular form:


SOURCE

CENTS


DISPOSITION

CENTS

Class A&B Telephone Companies
Source and Disposition of Revenue
1984 and 1985

Source	1985 (Cents)	1984 (Cents)
Local Service	47.6	46.6
Access Service	20.1	21.6
Toll Service	26.2	27.7
Miscellaneous	6.1	4.1
Total	100.0	100.0
Disposition		
Operation and Maintenance Expense	57.7	58.1
Depreciation and Amortization	11.0	10.4
Operating Taxes	11.2	13.1
Federal Income Tax	7.3	5.7
Interest and Other Fixed Charges – Net	4.3	4.5
Earnings Available for Common	8.5	8.2
Total	100.0	100.0

Access Line Statistics

In the years prior to 1984, main stations were considered the standard unit of measurement in telephone operations. However, with the deregulation of new customer premises equipment in 1983, telephone stations increasingly were purchased by customers and that unit was no longer useful in making comparisons. As a result, main stations were replaced by access lines as the industry unit of measurement. The following table shows revenues per average access line for the four largest telephone companies that provide local service:

The Four Largest Telephone Companies in New York State*
Revenues Per Average Access Line

	Average Number of Access Lines		Revenues		Revenues Per Average Access Line	
	1985	1984	1985	1984	1985	1984
	(Thousands)		($ Millions)		(Dollars)	
New York Telephone	8,663	8,432	$6,634	$6,399	$766	$759
Rochester Telephone	407	397	238	228	585	574
Continental Telephone–N.Y.	208	202	141	129	678	639
ALLTEL New York, Inc.	76	73	43	39	566	534

*Excludes AT&T Communications of New York, Inc.

As shown, revenues per average access line increased for each of the four companies listed. Rochester Telephone, Continental, and ALLTEL had increases of 1.9%, 6.1% and 6.0% respectively. New York Telephone had the smallest percentage increase of the four companies at 0.9%.

All the major telephone companies had rate requests acted upon by the Commission in 1985. New York Telephone requested $775 million in additional revenues, but received less than one-third, $226.2 million. Included in the rate changes were decreases in local calling rates, intra-LATA toll rates and access charges. ALLTEL of New York received a rate increase of $2.35 million in January while Rochester and Continental Telephone were ordered to reduce their rates by $1.7 million and $3.5 million respectively. However, both companies, as well as all the other independent companies, were allowed to increase local service rates by 3% to recoup revenue losses resulting from the toll rate reductions in the New York Telephone rate case.

Also, in 1985 the Legislature reduced the State Gross Receipts Tax on telephone utilities from 3.75% to 3.3%. The telephone companies filed tariff changes to pass the benefits of lower tax expenses on to their customers.

Capitalization

In 1985, total capitalization of the telephone industry rose $143 million (1.4%) over the 1984 level. The relative components of this capital structure changed very little as common equity increased by one percent and long-term debt decreased by a like amount; preferred stock remained the same. This data is shown in the table below.

Capitalization

	1985		1984	
	$ Millions	%	$ Millions	%
Long-Term Debt	$ 4,307.7	42.1%	$ 4,350.3	43.1%
Preferred Stock	31.9	0.3	32.3	0.3
Common Equity	5,905.9	57.6	5,719.9	56.6
Total	$10,245.5	100.0%	$10,102.5	100.0%

Income, Dividends and Payout Ratios

On a composite basis, net income for the 41 telephone companies increased by $63 million or 8.3% in 1985. ALLTEL had the largest increase with an 81% improvement over 1984. The other major companies had increases in net income as follows: ATTCOM, $13.5 million (30.4%); Continental, $3.8 million (31.6%); Rochester, $6.5 million (18.4%) and New York Telephone, $32.8 million (5.0%).

Continental Telephone–N.Y. paid $1 million less in dividends to its parent in 1985 ($12.5 million) than in 1984 and its payout ratio decreased from 100% to 79%.

The following table shows earnings available for common, common dividends and payout ratios for 1984 and 1985 for the five largest telephone companies separately, and for the other 36 companies as a group.

Earnings Available, Dividends and Payout Ratios

Company	Earnings Available		Common Dividends		Payout Ratio	
	1985	1984	1985	1984	1985	1984
	($ Thousands)		($ Thousands)			
New York Telephone	$693,313	$660,509	$587,304	$561,792	84.7	85.1
AT&T Communications	57,744	44,296	35,320	11,142	61.2	25.2
Rochester Telephone	41,915	35,415	25,209	23,670	60.1	66.8
Continental Telephone–N.Y.	15,865	12,056	12,500	13,500	78.8	112.0
ALLTEL New York, Inc.	5,300	2,927	3,771	1,901	71.2	64.9
Other 36 Companies	15,097	10,659	4,898	3,903	32.4	36.6
Total	$829,234	$765,862	$669,002	$615,908	80.7	80.4

Detailed data on each of the forty-one telephone companies appear in section III of this book.

THE WATER INDUSTRY

HIGHLIGHTS

There are 15 Class A & B water companies in New York State with annual operating revenues of $100,000 or more. These companies range in size from Jamaica Water Supply Company with $39.7 million in revenues to Fishers Island Water Works Corporation's $200,000 in revenues.

Spring Valley Water Company, Inc. had the largest investment in net water plant in service in 1985 with $74.2 million. The following table ranks the A & B water companies on the basis of revenues accrued for rendition of service.

WATER COMPANIES IN NEW YORK STATE

Name of Company	Revenues	% of Total	Net Water Plant In Service	% of Total	Ave. No. of Cust.	% of Total
Jamaica Water Supply Company	$ 39,655,467	31.0%	$ 56,639,596	25.2%	117,542	33.4%
Spring Valley Water Company, Inc.	29,094,904	22.7	74,246,395	33.0	52,941	15.0
Long Island Water Corporation	22,395,060	17.5	28,841,251	12.8	71,719	20.4
New Rochelle Water Company, The	11,267,561	8.8	22,384,958	10.0	29,083	8.3
New York Water Service Corp.	11,036,203	8.6	18,453,704	8.2	43,568	12.3
New York-American Water Company	5,636,203	4.4	6,982,989	3.1	10,841	31.1
Citizens Water-Supply Company of Newtown, The	3,639,793	2.8	4,726,914	2.1	7,725	2.2
Sea Cliff Water Company	1,131,991	*	1,437,050	*	4,461	1.3
Wanakah Water Company	1,100,980		1,801,409		3,516	1.0
Country Knolls Water Works, Inc.	899,337		2,394,049	1.1	4,071	1.1
Owego Water Works	671,000		967,926	*	1,459	*
Shorewood Water Corp.	553,652		4,134,202	1.8	4,160	
Sterling Forest Water Corp.	405,376		1,101,904	*	228	
Kiamesha Artesian Spring Water Company	287,684		289,907		281	
Fishers Island Water Works Corporation	216,684		359,295		505	
Total	$127,991,832	100.0%	$224,761,549	100.0%	352,100	100.0%

*Remaining companies each represent less than 1% of the total.

Revenues and Sales

In 1985 revenues from sales to metered water customers increased by $7.3 million over 1984 (7.8%) while revenues from sales to unmetered water customers declined by $3.5 million (24.0%) due to the installation of meters for 23,000 previously unmetered customers of Jamaica Water Supply Company. The company is in the process of installing meters for all its flat rate customers; this program is scheduled for completion by December 31, 1992. Overall, the number of metered customers increased by over 26,000 and the number of unmetered customers decreased by almost 23,000. The following table compares revenues by category of sales for 1984 and 1985:

Water Revenues and Other Income

	1985		1984	
	$ Thousands	% of Total	$ Thousands	% of Total
Metered Sales to General Customers	$101,161	79.0%	$ 93,881	76.3%
Unmetered Sales to General Customers	11,074	8.7	14,572	11.8
Other Water Revenues and Income	15,756	12.3	14,630	11.9
Total	$127,992	100.0%	$123,083	100.0%

The cost of both metered and unmetered water per thousand gallons increased in 1985 by 4.3% and 9.3%, respectively. Total water usage declined in 1985 by 1,965 million gallons (3.5%) from that reported in 1984. This decrease in usage may be due in part to drought-related water restrictions and lower demand by metered customers. The following table compares 1985 and 1984 consumption and cost per thousand gallons:

Cost per Thousand Gallons of Water
1985 and 1984

	1985			1984		
	Revenues ($Thousands)	Gallons (Millions)	Cost Per 1,000 Gallons (Dollars)	Revenues ($Thousands)	Gallons (Millions)	Cost per 1,000 Gallons (Dollars)
Metered General Customers	$101,161	46,459	$2.18	$93,881	44,969	$2.09
Unmetered General Customers	11,074	7,858	1.41	14,572	11,313	1.29

Average Annual Water Bill Data

The data on the following page presents usage, revenues, and average annual bills for the customers of each of the 15 A & B water companies.

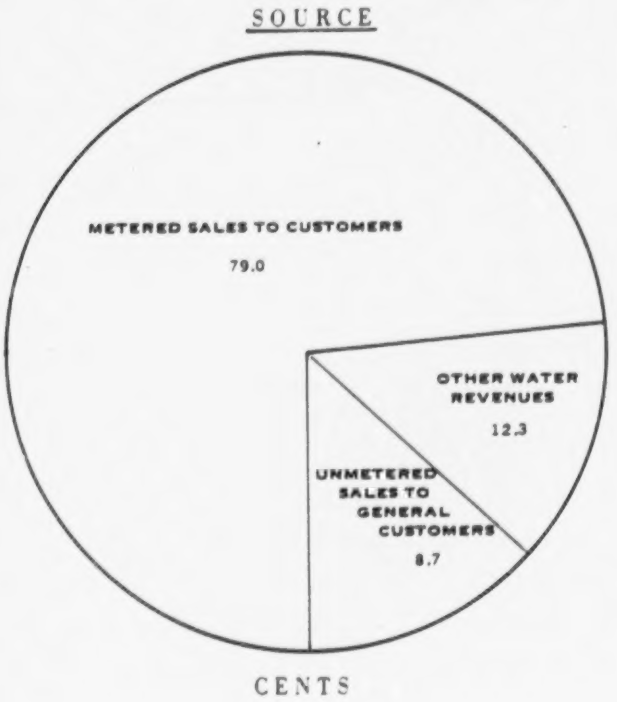
WATER INDUSTRY
AVERAGE ANNUAL BILL DATA
1985

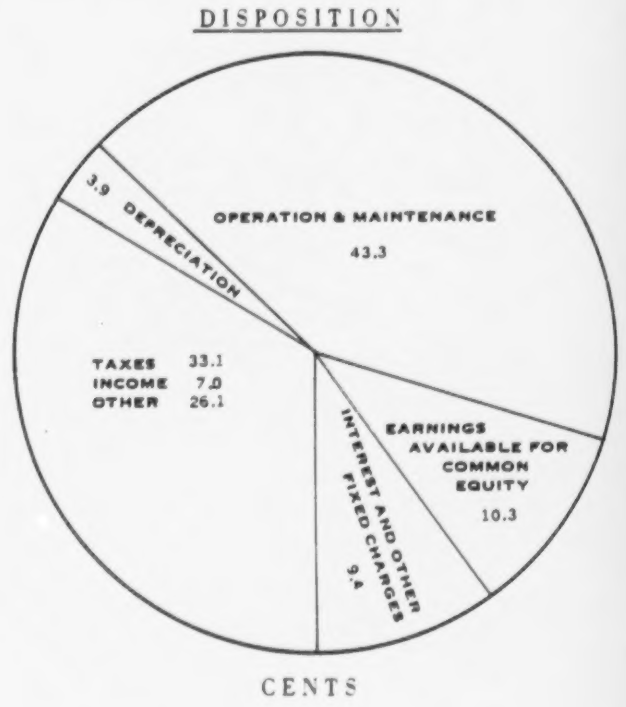
	Average Number of Customers	Operating Revenues ($ Thousands)	Gallons Sold (Millions)	Average Annual Bill Per Customer	Average Usage Per Customer (Thousand Gallons)	Average Revenue Per Thousand Gallons Sold
				TOTAL		
Citizens Water	7,725	$ 3,640	1,394	$ 471	181	$2.60
Country Knolls	4,071	899	342	221	84	2.63
Fishers Island	505	217	27	429	53	8.11
Jamaica Water	117,542	39,655	22,823	337	194	1.73
Kiamesha	281	288	118	1,024	420	2.43
Long Island Water	71,719	22,395	9,440	312	132	2.37
New Rochelle	29,083	11,268	5,374	387	185	2.10
New York-American	10,841	5,636	1,609	520	148	3.50
New York Water Service	43,568	11,036	4,681	253	107	2.36
Owego Water	1,459	671	485	460	332	1.38
Sea Cliff Water	4,461	1,132	376	254	84	3.01
Shorewood Water	4,160	554	500	133	120	1.10
Spring Valley Water	52,941	29,095	7,145	550	135	4.07
Sterling Forest Water	228	405	82	1,778	360	4.94
Wanakah Water	3,516	1,101	260	313	74	4.24
Composite	352,100	$127,992	54,660	$ 364	155	$2.34
				METERED GENERAL CUSTOMERS		
Citizens Water	7,644	$ 3,328	1,399	$ 435	183	$2.38
Country Knolls	4,071	856	342	210	84	2.50
Fishers Island	495	199	26	402	53	7.52
Jamaica Water	76,930	23,085	15,057	300	196	1.53
Kiamesha	272	97	27	358	98	3.66
Long Island Water	71,202	20,548	9,439	289	133	2.18
New Rochelle	28,690	10,038	5,267	350	184	1.91
New York-American	10,567	4,881	1,505	462	142	3.24
New York Water Service	43,432	10,131	4,681	233	108	2.16
Owego	1,436	607	456	423	318	1.33
Sea Cliff Water	4,081	966	376	237	92	2.57
Shorewood Water	4,100	487	438	119	107	1.11
Spring Valley Water	52,448	24,609	7,104	469	135	3.46
Sterling Forest Water	224	366	82	1,632	366	4.45
Wanakah Water	3,509	164	260	275	74	3.71
Composite	309,101	$101,362	46,459	$ 327	150	$2.18
				UNMETERED GENERAL CUSTOMERS		
Jamaica Water	39,828	$10,887	7,766	$ 273	195	$1.40
Kiamesha	4	181	90	45,157	22,602	2.00
Long Island Water	8	5	2	728	215	3.39
Composite	39,840	$11,074	7,858	$ 278	197	$1.41

Source and Disposition of Revenues

The primary source of revenues for the water industry in 1985 was from sales to metered customers. These sales made up 79.0% of every dollar collected, while unmetered sales represented 8.7% and other water revenues contributed 12.3%.

Operation and maintenance expense in 1985 consumed 43.3 cents of the revenue dollar while taxes (33.1 cents), interest and fixed charges (9.4 cents), earnings available for common equity (10.3 cents), and depreciation (3.9 cents) accounted for the remainder. The source and disposition of the water revenue dollar is shown in the charts below:





A comparison of the source and disposition of the 1984 and 1985 revenue dollar and the percent change for each item follows:

The Class A and B Water Companies in New York State
Source and Disposition of Revenue
1984 and 1985

	1985 (Cents)	1984 (Cents)	Percent Change
Source			
Metered Sales to General Customers	79.0	76.3	3.5%
Unmetered Sales to General Customers	8.7	11.8	(26.3)
Other Water Revenues	12.3	11.9	3.4
Total	100.0	100.0	
Disposition			
Operation & Maintenance	43.3	42.3	2.4
Depreciation	3.9	3.6	8.3
Operating Taxes	26.1	27.0	(3.3)
Federal Income Taxes	7.0	7.0	–
Interest Expense and Other Fixed Charges	9.4	9.2	2.2
Earnings Available for Common	10.3	10.9	(5.5)
Total	100.0	100.0	

Plant Investment

At the end of 1985, gross investment in water plant rose to $306.5 million, a 5.8% ($16.7 million) increase over December 31, 1984. Jamaica Water Supply Company had the largest overall increase in water plant of $6.5 million. These additions were primarily for transmission and distribution plant, and water treatment facilities. Spring Valley Water Company had an increase of $4.5 million in water plant with sizeable additions to its pumping plant and transmission and distribution plant.

Capitalization

On an aggregate basis, the capitalization of the 15 water companies increased by $14.3 million in 1985. The change in the proportion of each segment to the total was less than 1%. The following table shows a comparison of the capitalization of the water companies for 1984 and 1985:

	Capitalization			
	1985		1984	
	($ Millions)	% of Total	($ Millions)	% of Total
Long-Term Debt	$ 94.1	38.9%	$ 86.9	38.2%
Preferred Stock	11.6	4.8	12.1	5.3
Common Equity	136.4	56.3	128.9	56.5
Total	$242.2	100.0%	$227.9	100.0%

Earnings Available for Common, Dividends, and Payout Ratios

On a composite basis, earnings available for the 15 water companies decreased in 1985 by almost $0.9 million while dividends declared increased by $1.4 million. These factors increased the payout ratio in 1985 to 47.2 compared to 35.1 in 1984. The next table shows earnings available for common dividends, and the payout ratios for the three largest water companies individually, and the twelve other companies as a group:

Net Income, Dividends and Payout Ratios

	1985			1984		
Company	Net Income Available For Common ($ Thousands)	Common Dividends ($ Thousands)	Payout Ratio	Net Income Available for Common ($ Thousands)	Common Dividends ($ Thousands)	Payout Ratio
Spring Valley Water Co., Inc.	$ 4,713	$3,046	64.6	$ 4,443	$2,468	55.5
Jamaica Water Supply Co.	3,216	1,092	40.0	2,807	–	–
Long Island Water Corp.	1,966	2,133	108.5	2,180	2,300	105.5
Other Water Companies	4,378	465	10.6	5,763	572	9.9
Composite	$14,273	$6,736	47.2	$15,193	$5,340	35.1

Details on the fifteen water companies can be found in Section IV of this book.

COMPOSITE STATEMENTS

BALANCE SHEETS
INCOME STATEMENTS
STATEMENTS OF CHANGES IN FINANCIAL POSITION
STATEMENTS OF REVENUE, PLANT, AND OPERATION AND MAINTENANCE
DISTRIBUTION OF UTILITY REVENUES

Combination Gas and Electric Companies

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK
TABLE 1. COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31

ITEM	1985	1984	1983	1982	1981
ASSETS AND OTHER DEBITS					
ELECTRIC UTILITY PLANT	$ 30,009,754,291	$ 27,565,172,641	$ 25,016,074,182	$ 22,516,915,877	$ 20,256,339,128
ACCUMULATED PROVISION FOR DEPR. AND AMORT	5,881,382,104	5,484,777,473	5,228,863,718	4,814,977,059	4,497,833,695
NET ELECTRIC UTILITY PLANT	24,128,372,187	22,080,395,168	19,787,210,464	17,701,938,818	15,758,505,433
GAS UTILITY PLANT	2,293,321,402	2,176,834,152	2,083,290,248	1,984,765,271	1,874,099,172
ACCUMULATED PROVISION FOR DEPR. AND AMORT	596,565,048	546,898,720	499,005,810	458,788,717	420,815,927
NET GAS UTILITY PLANT	1,696,756,354	1,629,935,432	1,584,284,438	1,525,976,554	1,453,283,245
OTHER UTILITY PLANT	1,180,009,433	1,136,548,153	1,018,944,656	949,634,027	875,119,437
ACCUMULATED PROVISION FOR DEPR. AND AMORT.	295,797,804	278,220,198	265,136,537	244,326,699	220,065,120
NET OTHER UTILITY PLANT	884,211,629	858,327,955	753,808,119	705,307,328	655,054,317
TOTAL UTILITY PLANT	33,483,095,126	30,878,554,946	28,118,309,086	25,451,315,175	23,005,557,737
ACCUMULATED PROVISION FOR DEPR. AND AMORT	6,773,754,956	6,309,896,391	5,993,006,065	5,518,092,475	5,138,714,742
NET TOTAL UTILITY PLANT	26,709,340,170	24,568,658,555	22,125,303,021	19,933,222,700	17,866,842,995
NONUTILITY PROPERTY LESS ACCUM. PROVISION FOR DEPRECIATION AND AMORTIZATION	27,829,478	28,268,023	29,218,879	33,545,250	32,727,112
INVESTMENT IN ASSOCIATED COMPANIES	-	330,904	413,763	356,832	356,832
INVESTMENT IN SUBSIDIARY COMPANIES	148,333,461	139,322,190	123,640,378	105,369,463	89,621,648
OTHER INVESTMENTS	307,515,972	208,054,705	138,477,804	75,872,706	89,348,463
SPECIAL FUNDS	80,315,754	50,826,153	29,920,597	13,593,630	122,020,537
TOTAL OTHER PROPERTY AND INVESTMENTS	563,994,665	426,801,975	321,671,421	228,737,881	334,074,592
CASH	44,572,243	46,187,582	41,233,547	38,285,515	37,206,714
SPECIAL DEPOSITS	152,534,083	180,456,601	19,676,852	54,458,171	8,306,021
WORKING FUNDS	30,321,621	4,375,306	10,895,120	12,328,073	3,219,280
TEMPORARY CASH INVESTMENTS	902,955,900	843,760,903	883,259,682	361,455,336	390,119,150
NOTES + ACCOUNTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	1,122,750,861	1,126,296,725	1,116,495,793	987,048,864	925,497,770
RECEIVABLES FROM ASSOCIATED COMPANIES	8,203,178	8,918,724	7,685,154	10,003,869	9,044,983
MATERIALS AND SUPPLIES	653,815,563	733,645,887	656,552,290	751,844,975	734,188,171
GAS STORED UNDERGROUND-CURRENT	63,916,183	77,209,150	83,416,656	96,208,478	64,005,157
LIQUEFIED NATURAL GAS IN STORAGE	7,923,781	7,098,694	6,247,302	6,087,848	4,791,720
PREPAYMENTS	117,380,267	107,123,960	88,299,096	91,119,325	75,049,181
OTHER CURRENT AND ACCRUED ASSETS	83,398,618	88,511,945	68,565,025	57,421,953	58,245,482
TOTAL CURRENT AND ACCRUED ASSETS	3,187,772,299	3,203,585,457	2,982,326,517	2,454,282,406	2,309,673,609
UNAMORTIZED DEBT EXPENSE	196,280,882	141,755,143	92,740,164	82,406,430	67,637,958
EXTRAORDINARY PROPERTY LOSSES	186,405,792	175,081,494	148,631,299	124,029,953	34,803,139
PRELIMINARY SURVEY + INVESTIGATION CHARGES	3,834,647	7,243,793	7,518,291	6,425,415	4,822,934
CLEARING ACCOUNTS	3,053,581	3,364,552	5,219,562	3,912,963	3,175,947
DEFERRED LOSSES FROM DISP. OF UTILITY PLT.	-	-	-	-	-
RESEARCH AND DEVELOPMENT	24,003,771-	14,635,120-	710,119-	7,968,166	10,617,580
ACCUMULATED DEFERRED INCOME TAXES	125,982,149	163,272,955	133,526,424	163,794,406	126,410,587
OTHER DEFERRED DEBITS	479,747,374	286,342,095	274,842,067	417,409,539	276,723,745
TOTAL DEFERRED DEBITS	971,280,654	762,414,912	661,767,688	805,946,872	524,191,890
TOTAL ASSETS AND OTHER DEBITS	$ 31,432,387,788	$ 28,981,460,899	$ 26,091,066,647	$ 23,422,169,859	$ 21,034,783,087
LIABILITIES AND OTHER CREDITS					
COMMON STOCK ISSUED	$ 2,086,892,324	$ 2,040,892,370	$ 1,937,200,589	$ 1,803,750,119	$ 1,605,534,991
PREFERRED STOCK ISSUED	2,601,488,691	2,607,363,314	2,621,788,319	2,304,812,189	2,256,629,161
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
PREMIUM ON CAPITAL STOCK	3,872,637,517	3,676,109,680	3,405,146,111	3,020,104,079	2,564,773,445
OTHER PAID-IN CAPITAL	367,582,871	366,953,498	364,659,913	364,218,253	363,739,648
INSTALLMENTS RECEIVED ON CAPITAL STOCK	107,481	342,890	337,245	443,061	467,871
CAPITAL STOCK EXPENSE	134,499,242-	133,624,908-	132,326,826-	121,356,131-	111,366,128-
RETAINED EARNINGS	5,804,030,268	5,040,972,570	4,156,906,404	3,645,914,282	3,174,586,041
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	66,161,792	72,190,171	64,058,775	28,935,286	39,559,526
REACQUIRED CAPITAL STOCK	7,653,963-	1,854,284-	4,147,600-	2,008,000-	2,570,980-
TOTAL PROPRIETARY CAPITAL	14,656,747,739	13,689,345,301	12,413,624,930	11,044,813,138	9,891,353,575
BONDS(LESS BONDS REACQUIRED)	9,132,020,500	8,745,419,500	8,139,062,500	7,917,702,500	7,381,166,500
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
OTHER LONG-TERM DEBT	2,830,012,244	2,188,711,466	1,817,779,684	959,902,621	729,023,919
NET UNAMORTIZED PREMIUM AND DISCOUNT	9,283,272-	9,014,586-	6,024,050-	1,676,207-	5,095,806
TOTAL LONG-TERM DEBT	11,952,749,472	10,925,116,400	9,950,818,134	8,875,928,914	8,115,286,225
NOTES PAYABLE	127,800,000	111,150,000	212,350,000	269,150,000	182,930,000
ACCOUNTS PAYABLE	681,069,882	718,530,934	711,367,093	755,361,806	686,632,079
PAYABLES TO ASSOCIATED COMPANIES	2,770,613	3,475,427	1,954,839	3,374,434	1,617,608
CUSTOMER DEPOSITS	147,544,649	129,771,860	111,924,529	103,065,783	97,164,294
TAXES ACCRUED	248,655,877	353,680,198	277,192,560	239,511,526	242,922,262
INTEREST ACCRUED	272,431,781	252,629,026	215,002,277	198,884,422	171,120,289
DIVIDENDS DECLARED	44,743,158	43,715,873	93,123,905	83,412,760	67,757,527
TAX COLLECTIONS PAYABLE	39,216,051	42,277,888	39,760,279	38,898,855	36,978,513
OTHER CURRENT AND ACCRUED LIABILITIES	484,872,221	377,592,049	348,242,058	306,451,316	314,084,103
TOTAL CURRENT AND ACCRUED LIABILITIES	2,049,104,232	2,032,823,255	2,010,917,540	1,996,110,902	1,781,206,675
CUSTOMER ADVANCES FOR CONSTRUCTION	13,821,434	11,151,873	6,410,251	5,382,354	4,242,939
DEFERRED GAINS FROM DISP. OF UTILITY PLT.	-	-	-	-	-
ACCUM. DEFERRED INVESTMENT TAX CREDITS	994,073,477	868,590,017	634,044,063	487,730,403	390,759,244
OTHER DEFERRED CREDITS	453,976,667	365,403,766	198,988,568	187,795,922	176,830,983
ACCUMULATED DEFERRED INCOME TAXES					
ACCELERATED AMORTIZATION	9,979,714	12,437,130	15,796,762	19,314,236	23,023,841
LIBERALIZED DEPRECIATION	979,569,040	793,147,943	600,513,389	493,739,689	400,721,680
OTHER	298,491,120	250,887,081	238,599,905	293,684,766	236,453,615
TOTAL DEFERRED CREDITS	2,749,911,452	2,301,617,810	1,694,352,938	1,487,627,370	1,232,032,302
PROPERTY INSURANCE RESERVE	909,036	939,982	1,619,072	1,450,008	1,024,082
INJURIES AND DAMAGES RESERVE	21,861,406	19,614,391	20,506,373	18,672,490	15,808,625
PENSIONS AND BENEFITS RESERVE	2,097,539	1,679,971	1,232,996	771,727	258,634
MISCELLANEOUS OPERATING RESERVES	993,088-	10,323,789	2,003,336-	3,204,690-	2,187,031-
TOTAL OPERATING RESERVES	23,874,893	32,558,133	21,355,105	17,689,535	14,904,310
TOTAL LIABILITIES AND OTHER CREDITS	$ 31,432,387,788	$ 28,981,460,899	$ 26,091,066,647	$ 23,422,169,859	$ 21,034,783,087

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK
TABLE 2. COMPARATIVE INCOME STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981
	COMPARATIVE INCOME STATEMENTS				
ELECTRIC UTILITY OPERATING INCOME					
OPERATING REVENUES	$ 10,476,542,771	$ 10,563,784,310	$ 9,853,074,822	$ 9,057,237,377	$ 8,824,118,087
OPERATION AND MAINTENANCE EXPENSE	5,634,078,975	6,009,031,134	5,783,107,997	5,489,930,645	5,623,233,130
DEPRECIATION EXPENSE	573,518,465	514,749,202	481,862,615	455,138,513	425,731,689
AMORTIZATION	48,459,248	32,715,914	33,221,591	37,086,784	21,448,679
TAXES OTHER THAN INCOME TAXES-OPERATING	1,505,085,414	1,450,201,951	1,347,230,567	1,202,860,236	1,123,927,784
INCOME TAXES-OPERATING	928,950,019	879,686,943	885,355,852	495,246,604	391,032,881
GAINS/LOSSES FROM DISP OF UTILITY PLANT	242,585-	745,478-	584,505-	9,337-	28,165
TOTAL OPERATING EXPENSES	8,689,829,237	8,885,639,667	8,329,993,917	7,680,053,445	7,585,345,998
NET OPERATING REVENUES	1,786,713,534	1,678,144,643	1,523,080,905	1,377,183,932	1,238,772,089
INC. FROM LSD. PLT. & OTHER OPER. INC	46,583	7,189-	-	-	723,308
ELECTRIC UTILITY OPERATING INCOME	1,786,760,117	1,678,137,454	1,523,080,905	1,377,183,932	1,239,495,397
GAS UTILITY OPERATING INCOME					
OPERATING REVENUES	2,476,310,855	2,607,459,612	2,521,647,184	2,249,132,956	1,829,634,938
OPERATION AND MAINTENANCE EXPENSE	1,883,733,122	2,007,786,443	1,992,799,745	1,783,829,562	1,428,108,291
DEPRECIATION EXPENSE	70,903,141	67,161,330	60,056,226	56,671,851	48,131,897
AMORTIZATION	1,608,300	1,712,524	1,835,141	2,559,061	1,770,614
TAXES OTHER THAN INCOME TAXES-OPERATING	257,360,592	250,672,970	234,163,037	208,624,257	184,108,007
INCOME TAXES-OPERATING	76,205,034	82,266,262	57,026,729	56,456,663	29,158,530
GAINS/LOSSES FROM DISP OF UTILITY PLANT	-	-	-	-	-
TOTAL OPERATING EXPENSES	2,289,810,187	2,409,599,529	2,345,880,878	2,108,141,394	1,691,277,339
NET OPERATING REVENUES	186,500,668	197,860,083	175,766,306	140,991,562	138,357,599
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-
GAS UTILITY OPERATING INCOME	186,500,668	197,860,083	175,766,306	140,991,562	138,357,599
OTHER UTILITY OPERATING INCOME	18,471,386	25,474,823	19,487,741	28,302,183	15,118,052
TOTAL UTILITY OPERATING INCOME	1,991,732,171	1,901,472,360	1,718,334,952	1,546,477,677	1,392,971,048
OTHER INCOME					
INC FROM MDSE, JOBBING & CONTRACT WORK	46,837-	146,160	112,973-	213,095-	58,257-
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-
NONOPERATING RENTAL INCOME	297,911	110,708	16,539-	152,300	149,805
EQUITY IN EARNINGS OF SUBSIDIARY COS	15,666,965	11,085,457	14,594,036	16,449,353	10,516,414
INTEREST AND DIVIDEND INCOME	106,232,321	110,359,614	61,331,278	67,343,741	60,003,313
ALLOWANCE FOR CONSTRUCTION FUNDS	779,389,288	670,107,355	564,156,170	414,336,328	304,942,742
MISCELLANEOUS NONOPERATING INCOME	808,514	19,813,224	2,767,471	13,841,633	9,331,114
GAIN ON DISPOSITION OF PROPERTY	1,195,805	879,653	227,048	4,817,597	136,772
TOTAL OTHER INCOME	903,543,967	812,502,169	642,946,491	516,727,857	385,021,903
TOTAL INCOME	2,895,276,138	2,713,974,529	2,361,281,443	2,063,205,534	1,777,992,951
INCOME DEDUCTIONS					
TAXES OTHER THAN INC. TAXES-NONOPERATING	2,906,104	1,507,006-	1,516,531	1,561,270	1,426,458
INCOME TAXES-NONOPERATING	139,589,657-	141,647,885-	90,196,069-	69,421,091-	47,022,687-
LOSS ON DISPOSITION OF PROPERTY	8,412,514	95,744	162,404	34,361	551,083
MISCELLANEOUS AMORTIZATION	712,316	1,511,120	2,108,476	2,110,127	2,098,053
MISCELLANEOUS INCOME DEDUCTIONS	7,965,835	42,197,684	14,141,970	16,646,443	9,884,716
TOTAL INCOME DEDUCTIONS	119,592,888-	99,350,343-	72,266,688-	49,068,890-	33,062,377-
INCOME BEFORE INTEREST CHARGES	3,014,869,026	2,813,324,872	2,433,548,131	2,112,274,424	1,811,055,328
INTEREST CHARGES					
INTEREST ON LONG-TERM DEBT	1,035,466,681	932,828,043	799,256,158	681,566,927	577,141,146
AMORT OF DEBT DISCOUNT AND EXPENSE	21,045,993	14,552,127	8,765,803	7,059,230	5,290,887
AMORT OF PREMIUM ON DEBT-CREDIT	870,001-	905,144-	966,460-	1,043,864-	1,096,594-
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	1,354,840	-	-	-
OTHER INTEREST EXPENSE	43,445,777	53,152,134	54,008,952	69,623,284	80,151,738
TOTAL INTEREST CHARGES	1,099,068,450	1,000,982,000	861,064,453	757,205,577	661,487,177
INCOME BEFORE EXTRAORDINARY ITEMS	1,915,780,576	1,812,342,872	1,572,483,678	1,355,068,847	1,149,568,151
EXTRAORDINARY ITEMS					
EXTRAORDINARY INCOME	-	-	-	-	-
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-
NET INCOME	$ 1,915,780,576	$ 1,812,342,872	$ 1,572,483,678	$ 1,355,068,847	$ 1,149,568,151
DIVIDENDS DECLARED-PREFERRED STOCK	$ 143,074,197	$ 191,984,217	$ 204,132,142	$ 178,672,757	$ 160,577,442
-COMMON STOCK	803,370,096	728,151,739	822,185,511	715,881,935	594,356,391
	SELECTED BALANCE SHEET RELATIONSHIPS				
ELEC UTILITY PLANT/DOLLAR OF ELECT REVENUE	2.75	2.49	2.41	2.36	2.20
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	0.90	0.82	0.81	0.86	0.99
TOTAL UTILITY PLT./DOLLAR OF TOTAL REVENUE	2.42	2.18	2.10	2.07	2.00
CURRENT ASSETS / CURRENT LIABILITIES	1.56	1.58	1.48	1.23	1.30
PERCENT OF CAPITALIZATION:					
LONG-TERM DEBT	44.9	44.4	44.4	44.5	45.0
PREFERRED STOCK	9.7	10.6	11.7	11.5	12.5
COMMON STOCK + OTHER PAID-IN CAPITAL	23.4	24.4	25.1	25.5	24.7
RETAINED EARNINGS	21.8	20.4	18.5	18.3	17.6
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	35.6	35.3	35.3	34.8	35.2
% OF NET UTILITY PLANT	44.7	44.4	44.9	44.5	45.4
ACCUM.PROVISION FOR DEPR. % OF UTILITY PLT	20.2	20.4	21.3	21.6	22.3
	SELECTED INCOME ACCOUNT RELATIONSHIPS				
ELECTRIC OPERATING REVENUES					
% OF TOTAL OPERATING REVENUES	78.8	77.9	77.3	77.4	80.0
PERCENT OF ELECTRIC OPERATING REVENUES:					
ELECTRIC OPERATION AND MAINTENANCE	53.7	56.8	58.6	60.6	63.7
ELECTRIC DEPRECIATION AND AMORTIZATION	5.9	5.1	5.2	5.4	5.0
TOTAL INCOME TAXES-ELECTRIC, OPERATING	8.8	8.3	6.9	5.4	4.4
OTHER TAXES-ELECTRIC, OPERATING	14.3	13.7	13.6	13.2	12.7
GAINS/LOSSES FROM DISP OF UTILITY PLANT	-	-	-	-	-
TOTAL ELECTRIC OPERATING EXPENSE	82.9	84.1	84.5	84.7	85.9
ELECTRIC OPERATING INCOME	17.0	15.8	15.4	15.2	14.0
ELEC.DEPR.+ AMORT.% OF ELEC. UTILITY PLANT	2.0	1.9	2.0	2.1	2.2
GAS OPERATING REVENUES:					
% OF TOTAL OPERATING REVENUES	18.6	19.2	19.7	19.2	16.5
PERCENT OF GAS OPERATING REVENUES:					
GAS OPERATION AND MAINTENANCE	76.0	77.0	79.0	79.3	78.0
GAS DEPRECIATION AND AMORTIZATION	2.9	2.6	2.4	2.6	2.7
TOTAL INCOME TAXES-GAS, OPERATING	3.0	3.1	2.2	2.5	1.5
OTHER TAXES-GAS, OPERATING	10.3	9.6	9.2	9.2	10.0
GAINS/LOSSES FROM DISP OF UTILITY PLANT	-	-	-	-	-
TOTAL GAS OPERATING EXPENSE	92.4	92.4	93.0	93.7	92.4
GAS OPERATING INCOME	7.5	7.5	6.9	6.2	7.5
GAS DEPR.+ AMORT.% OF GAS UTILITY PLANT	3.1	3.1	2.9	2.9	2.6
INTEREST EXPENSE:					
PERCENT OF OPERATING REVENUES	8.3	7.4	6.8	6.5	6.0
PRETAX INTEREST COVERAGE	3.4	3.4	3.4	3.2	3.1
NET INCOME-PERCENT OF OPERATING REVENUES	14.4	13.3	12.3	11.5	10.4
DIVIDEND APPROPRIATIONS, PREFERRED STOCK					
PERCENT OF OPERATING REVENUES	1.7	1.6	1.6	1.5	1.4
TIMES EARNED	8.4	8.0	7.7	7.6	7.2
DIVIDEND APPROPRIATIONS, COMMON STOCK:					
PERCENT OF OPERATING REVENUES	6.0	5.3	6.4	6.1	5.3
PERCENT OF EARNINGS AVAILABLE FOR COMMON	47.5	45.9	60.0	60.8	60.0
PERCENT OF AVERAGE COMMON EQUITY:					
EARNINGS AVAILABLE FOR COMMON STOCK	14.6	15.1	14.7	14.3	13.6
DIVIDEND APPROPRIATIONS, COMMON STOCK	6.9	6.9	8.8	8.7	8.1

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
TABLE 3. COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDED DECEMBER 31

ITEM	1985	1984	1983	1982	1981	
		ELECTRIC OPERATING REVENUES				
REVENUES						
RESIDENTIAL	$ 3,504,067,277	$ 3,483,373,042	$ 3,279,767,299	$ 2,986,758,004	$ 2,836,251,132	1
COMMERCIAL AND INDUSTRIAL	5,675,506,987	5,664,247,63	5,316,537,253	4,956,332,985	4,792,775,392	2
PUBLIC STREET AND HIGHWAY LIGHTING	88,035,211	85,759,650	81,048,611	77,657,910	71,929,829	3
OTHER PUBLIC AUTHORITIES	208,575,994	200,319,147	185,621,123	171,561,620	170,002,210	4
RAILROADS AND RAILWAYS	6,993,059	9,541,856	12,803,428	13,331,428	19,538,416	5
INTERDEPARTMENTAL	2,066,045	1,882,938	1,786,816	2,228,141	2,091,963	6
TOTAL REVENUES FROM ULTIMATE CONSUMERS	9,483,244,573	9,445,124,264	8,877,564,530	8,207,870,086	7,892,588,942	7
RESALE	663,875,971	834,584,116	698,462,223	591,330,654	690,847,451	8
TOTAL REVENUES FROM ELECTRIC SALES	10,147,120,544	10,279,708,380	9,576,026,753	8,799,200,740	8,583,436,393	9
OTHER ELECTRIC OPERATING REVENUES	329,422,228	284,075,930	277,048,069	258,036,637	240,681,694	10
TOTAL ELECTRIC OPERATING REVENUES	$ 10,476,542,772	$ 10,563,784,310	$ 9,853,074,822	$ 9,057,237,377	$ 8,824,118,087	11
KILOWATT-HOUR SALES (THOUSANDS)						
RESIDENTIAL	31,424,464	31,524,329	30,791,801	29,860,265	29,732,741	12
COMMERCIAL AND INDUSTRIAL	61,562,404	60,790,013	58,500,414	56,535,950	57,958,860	13
PUBLIC STREET AND HIGHWAY LIGHTING	606,331	617,684	627,158	641,028	650,504	14
OTHER PUBLIC AUTHORITIES	2,588,771	2,488,381	2,442,415	2,336,859	2,485,177	15
RAILROADS AND RAILWAYS	56,478	73,281	104,172	110,158	145,781	16
INTERDEPARTMENTAL	33,792	31,785	33,119	40,551	43,031	17
TOTAL SALES TO ULTIMATE CONSUMERS	96,272,241	95,525,474	92,498,878	89,324,811	91,016,094	18
RESALE	17,120,055	18,502,842	15,014,089	12,915,291	13,147,018	19
TOTAL KILOWATT-HOUR SALES	113,392,296	114,028,316	107,512,967	102,240,102	104,163,112	20
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	5,801,446	5,741,280	5,685,300	5,638,891	5,598,058	21
COMMERCIAL AND INDUSTRIAL	719,534	704,976	695,649	688,713	683,471	22
PUBLIC STREET AND HIGHWAY LIGHTING	9,409	9,190	8,989	9,295	9,269	23
OTHER PUBLIC AUTHORITIES	14,763	14,413	14,503	14,475	14,439	24
RAILROADS AND RAILWAYS	4	4	4	4	5	25
INTERDEPARTMENTAL	2	2	2	2	2	26
TOTAL ULTIMATE CONSUMERS	6,545,158	6,469,865	6,404,447	6,351,380	6,305,244	27
RESALE	185	183	185	192	194	28
TOTAL CUSTOMERS	6,545,343	6,470,048	6,404,632	6,351,572	6,305,438	29
ELECTRIC OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 604.00	$ 606.72	$ 576.89	$ 529.67	$ 506.65	30
AVERAGE KWH CONSUMPTION PER CUSTOMER	5,417	5,491	5,416	5,280	5,311	31
AVERAGE REVENUE PER KWH SOLD (CENTS)	11.15	11.05	10.65	10.07	9.54	32
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 7,887.75	$ 8,034.67	$ 7,642.56	$ 7,196.51	$ 7,012.40	33
AVERAGE KWH CONSUMPTION PER CUSTOMER	85,559	86,230	84,095	82,089	84,801	34
AVERAGE REVENUE PER KWH SOLD (CENTS)	9.22	9.32	9.09	8.77	8.27	35
		ELECTRIC OPERATION AND MAINTENANCE EXPENSES				
POWER PRODUCTION EXPENSES						
STEAM POWER						
FUEL	$ 2,257,648,148	$ 2,585,656,346	$ 2,570,890,615	$ 2,571,264,065	$ 2,837,189,525	36
OTHER	407,620,366	355,239,875	354,296,335	328,077,689	291,962,120	37
TOTAL STEAM POWER EXPENSES	2,665,268,514	2,940,896,221	2,925,186,950	2,899,341,754	3,129,151,645	38
NUCLEAR POWER						
FUEL	106,642,810	55,835,331	97,026,882	35,814,291	106,005,250	39
OTHER	108,027,192	156,306,617	102,382,860	119,715,411	103,731,507	40
TOTAL NUCLEAR POWER EXPENSES	214,670,002	212,141,948	199,409,742	155,529,702	209,736,757	41
HYDRAULIC POWER						
WATER FOR POWER	2,930,901	4,452,609	4,496,633	3,980,795	3,941,679	42
OTHER	15,336,907	15,468,673	14,502,518	14,899,189	11,464,955	43
TOTAL HYDRAULIC POWER EXPENSES	18,267,808	19,921,282	18,999,151	18,879,984	15,406,634	44
OTHER POWER GENERATION						
FUEL	33,059,629	45,744,260	32,614,292	26,682,734	61,763,659	45
OTHER	34,577,372	33,883,550	41,043,573	32,428,959	36,273,162	46
TOTAL OTHER POWER GENERATION EXPENSE	67,637,001	79,627,810	73,657,865	59,111,693	98,036,821	47
OTHER POWER SUPPLY EXPENSES						
PURCHASED POWER	1,103,428,526	1,277,200,256	1,134,178,719	1,050,241,290	984,287,414	48
OTHER	19,101,581	15,797,538	14,625,569	13,579,380	12,368,410	49
TOTAL OTHER POWER SUPPLY EXPENSES	1,122,530,107	1,292,997,794	1,148,804,288	1,063,820,670	996,655,824	50
TOTAL POWER PRODUCTION EXPENSES	4,088,373,432	4,545,585,055	4,366,057,996	4,196,683,803	4,448,987,681	51
TRANSMISSION EXPENSES	162,973,709	154,010,796	140,892,610	125,812,204	113,554,955	52
DISTRIBUTION EXPENSES	436,532,011	403,424,190	407,140,423	371,998,823	334,627,146	53
CUSTOMER ACCOUNTS EXPENSES	250,832,209	253,701,200	241,131,720	232,289,289	215,276,457	54
SALES EXPENSES	30,057,251	32,881,617	31,117,832	25,096,283	21,859,513	55
ADMINISTRATIVE AND GENERAL	665,310,357	619,428,276	596,767,416	538,050,243	488,927,378	56
TOTAL ELECTRIC OPERATION/MAINTENANCE EXPENSES	$ 5,634,078,975	$ 6,009,031,134	$ 5,783,107,997	$ 5,489,930,645	$ 5,623,233,130	57
		ELECTRIC UTILITY PLANT*				
ELECTRIC UTILITY PLANT						
ELECTRIC PLANT IN SERVICE						
INTANGIBLE PLANT	$ 1,615,034	$ 230,476	$ 230,477	$ 230,297	$ 230,297	58
PRODUCTION PLANT						
STEAM	5,521,553,910	5,434,982,746	4,331,883,363	4,264,373,502	4,084,679,927	59
NUCLEAR	1,220,781,958	1,200,234,474	1,060,149,209	925,900,375	822,539,070	60
HYDRAULIC	361,613,477	332,157,378	304,562,103	232,606,428	224,079,579	61
OTHER	311,413,581	305,754,344	301,406,329	300,406,690	298,626,678	62
TRANSMISSION PLANT	3,338,549,353	3,230,488,895	3,123,493,733	2,999,161,357	2,839,512,882	63
DISTRIBUTION PLANT	7,704,140,429	7,287,832,983	6,984,392,248	6,729,439,814	6,429,903,345	64
GENERAL PLANT	211,248,239	178,047,889	154,228,749	156,399,988	233,874,710	65
ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	4,379,670-	66
EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-	67
NUCLEAR FUEL ASSEMBLIES	1,042,653,152	920,592,253	851,345,467	733,855,382	656,379,055	68
TOTAL ELECTRIC PLANT IN SERVICE	19,713,569,133	18,890,321,438	17,111,691,678	16,342,373,811	15,595,445,873	69
PLANT LEASED TO OTHERS	1,108,341	1,108,341	105,000	105,000	105,000	70
PLANT HELD FOR FUTURE USE	37,640,686	36,392,644	35,943,405	34,152,888	34,153,235	71
CONSTRUCTION WORK IN PROGRESS	10,255,175,305	8,635,001,091	7,865,906,667	6,137,778,441	4,624,050,979	72
PLANT ACQUISITION ADJUSTMENTS	2,270,824	2,349,128	2,427,432	2,506,737	2,584,041	73
TOTAL ELECTRIC UTILITY PLANT	30,009,764,291	27,565,172,641	25,016,074,182	22,516,915,877	20,256,339,128	74
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	5,881,392,104	5,484,777,473	5,228,863,718	4,814,977,059	4,497,833,695	75
NET ELECTRIC UTILITY PLANT	$ 24,128,372,187	$ 22,080,395,168	$ 19,787,210,464	$ 17,701,938,818	$ 15,758,505,433	76
PLANT IN SERVICE BEGINNING OF YEAR	$ 18,890,321,438	$ 17,111,691,679	$ 16,342,373,809	$ 15,595,445,873	$ 14,873,034,049	77
ADDITIONS	1,017,606,743	1,901,798,171	857,886,761	906,112,367	889,618,549	78
RETIREMENTS	193,439,904	121,581,485	118,460,545	159,441,622	121,354,654	79
TRANSFERS AND ADJUSTMENTS	919,142-	1,586,927-	29,891,653	257,193	45,862,071-	80
PLANT IN SERVICE END OF YEAR	$ 19,713,569,135	$ 18,890,321,437	$ 17,111,691,678	$ 16,342,373,811	$ 15,595,445,873	81

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK*
TABLE 4. COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

ITEM	1985	1984	1983	1982	1981
GAS OPERATING REVENUES					
REVENUES					
RESIDENTIAL	$ 1,270,798,753	$ 1,314,865,417	$ 1,297,991,434	$ 1,126,452,437	$ 949,344,032
COMMERCIAL AND INDUSTRIAL	991,173,897	1,031,002,993	995,869,137	932,759,294	725,051,858
OTHER SALES TO PUBLIC AUTHORITIES	72,985,045	83,953,528	86,211,002	67,852,104	57,551,210
INTERDEPARTMENTAL	83,856,848	124,439,634	97,015,456	78,479,231	65,684,939
TOTAL REVENUES FROM ULTIMATE CONSUMERS	2,418,814,343	2,554,261,572	2,477,087,029	2,205,543,066	1,797,632,039
RESALE	21,623,995	22,226,016	18,673,356	19,525,398	18,993,364
TOTAL REVENUES FROM SALES OF GAS	2,440,438,338	2,576,487,588	2,495,760,385	2,225,068,464	1,816,625,403
OTHER GAS OPERATING REVENUES	35,872,517	30,972,025	25,886,799	24,064,492	13,009,535
TOTAL GAS OPERATING REVENUES	2,476,310,865	2,607,459,613	2,521,647,184	2,249,132,956	1,829,634,938
GAS SALES(MCF)					
RESIDENTIAL	172,006,995	179,060,511	169,737,930	180,750,372	178,002,624
COMMERCIAL AND INDUSTRIAL	173,975,353	176,071,522	162,181,551	179,741,941	165,503,468
OTHER SALES TO PUBLIC AUTHORITIES	12,371,171	13,946,037	13,625,259	12,872,727	12,577,900
INTERDEPARTMENTAL	19,552,316	27,135,691	22,199,137	18,823,246	15,767,879
TOTAL SALES TO ULTIMATE CONSUMERS	377,905,836	396,213,764	367,743,879	392,188,290	371,851,875
RESALE	5,379,936	5,274,439	4,126,372	4,939,787	6,463,721
TOTAL GAS SALES	383,285,772	401,488,203	371,870,251	397,128,077	378,315,596
NUMBER OF CUSTOMERS(AVERAGE PER MONTH)					
RESIDENTIAL	2,172,952	2,160,881	2,150,475	2,143,603	2,134,503
COMMERCIAL AND INDUSTRIAL	196,735	192,780	189,782	186,632	182,383
OTHER SALES TO PUBLIC AUTHORITIES	3,856	3,741	3,719	3,646	3,923
INTERDEPARTMENTAL	2	2	2	2	2
TOTAL ULTIMATE CONSUMERS	2,373,545	2,357,404	2,343,978	2,333,883	2,320,811
RESALE	5	5	5	6	8
TOTAL CUSTOMERS	2,373,550	2,357,409	2,343,983	2,333,889	2,320,819
GAS OPERATING REVENUE RELATIONSHIPS					
RESIDENTIAL SALES					
AVERAGE ANNUAL BILL PER CUSTOMER	$ 584.83	$ 608.49	$ 603.58	$ 525.49	$ 444.76
AVERAGE MCF CONSUMPTION PER CUSTOMER	79.2	82.9	78.9	84.3	83.4
AVERAGE REVENUE PER MCF SOLD	$ 7.39	$ 7.34	$ 7.65	$ 6.23	$ 5.33
COMMERCIAL AND INDUSTRIAL SALES					
AVERAGE ANNUAL BILL PER CUSTOMER	$ 5,038.12	$ 5,348.08	$ 5,247.44	$ 4,997.85	$ 3,975.44
AVERAGE MCF CONSUMPTION PER CUSTOMER	884.3	913.3	854.6	963.1	907.5
AVERAGE REVENUE PER MCF SOLD	$ 5.70	$ 5.86	$ 6.14	$ 5.19	$ 4.38
GAS OPERATION AND MAINTENANCE EXPENSES					
PRODUCTION EXPENSES					
MANUFACTURED GAS					
STEAM	$ 144,399	$ 165,470	$ 215,919	$ 209,368	$ 174,156
MANUFACTURED GAS	1,736,230	1,237,637	1,304,260	2,490,799	1,422,306
NATURAL GAS					
PRODUCTION AND GATHERING	48,045	78,121	86,610	86,305	135,824
OTHER GAS SUPPLY EXPENSES					
PURCHASED GAS	1,897,781,439	2,102,731,764	2,000,748,348	1,896,950,202	1,484,915,224
OTHER	387,355,648-	487,561,723-	366,887,940-	452,858,543-	372,763,097-
TOTAL PRODUCTION EXPENSES	1,512,333,465	1,616,651,269	1,635,465,197	1,448,878,131	1,113,884,413
NATURAL GAS STORAGE EXPENSES					
UNDERGROUND STORAGE EXPENSES	1,763,251	1,779,794	1,778,837	1,713,901	1,209,505
OTHER STORAGE EXPENSES	4,713,287	4,493,514	4,197,491	4,599,265	3,603,050
TOTAL NATURAL GAS STORAGE EXPENSES	6,476,538	6,273,308	5,976,328	6,313,166	4,812,555
TRANSMISSION EXPENSES	13,091,199	7,342,637	6,657,722	5,884,587	5,488,689
DISTRIBUTION EXPENSES	168,140,524	158,011,384	157,289,981	150,781,640	148,365,146
CUSTOMER ACCOUNTS EXPENSES	66,950,759	68,588,697	65,728,097	62,899,184	56,398,592
SALES EXPENSES	10,484,161	10,994,009	9,388,053	8,549,173	8,301,725
ADMINISTRATIVE AND GENERAL EXPENSES	106,256,470	139,925,131	112,294,367	102,523,681	90,257,171
TOTAL GAS OPERATION&MAINTENANCE EXPENSES	$ 1,883,733,122	$ 2,007,786,443	$ 1,992,799,745	$ 1,783,829,562	$ 1,428,108,291
GAS UTILITY PLANT**					
GAS UTILITY PLANT					
GAS PLANT IN SERVICE					
INTANGIBLE PLANT	$ 65,772	$ 65,772	$ 65,772	$ 65,772	$ 65,772
PRODUCTION PLANT					
MANUFACTURED GAS PLANT	14,783,551	13,411,723	13,257,766	12,995,549	13,091,758
NATURAL GAS PLANT	6,333,025	6,705,409	7,358,893	8,117,055	9,598,078
NATURAL GAS STORAGE PLANT					
UNDERGROUND STORAGE PLANT	-	-	-	-	-
OTHER STORAGE PLANT	48,181,562	47,880,076	47,839,548	47,459,232	47,111,354
TRANSMISSION PLANT	84,591,521	81,163,718	78,897,723	74,638,010	72,785,038
DISTRIBUTION PLANT	2,069,400,107	1,961,268,730	1,889,523,522	1,773,590,937	1,657,690,734
GENERAL PLANT	23,994,732	22,894,160	22,160,605	22,755,746	20,151,305
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-
GAS PLANT STORED UNDERGROUND-NONCURR	1,993,381	1,993,381	1,993,381	1,993,381	1,993,381
TOTAL GAS PLANT IN SERVICE	2,249,343,671	2,135,382,969	2,041,097,210	1,941,615,682	1,822,487,420
PLANT LEASED TO OTHERS	-	-	-	-	-
PLANT HELD FOR FUTURE USE	47,252	43,917	43,917	41,088	39,701
CONSTRUCTION WORK IN PROGRESS	43,930,480	41,407,266	42,149,121	43,108,501	51,572,051
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
TOTAL GAS UTILITY PLANT	2,293,321,402	2,176,834,152	2,083,290,248	1,984,765,271	1,874,099,172
ACCUMULATED PROVISION FOR DEPR + AMORT	596,565,048	546,898,720	499,005,810	458,788,717	420,815,927
NET GAS UTILITY PLANT	$ 1,696,756,364	$ 1,629,935,432	$ 1,584,284,438	$ 1,525,976,554	$ 1,453,283,245
PLANT IN SERVICE BEGINNING OF YEAR	$ 2,135,382,969	$ 2,041,097,210	$ 1,941,615,682	$ 1,822,487,423	$ 1,681,331,979
ADDITIONS	126,475,279	106,897,857	112,099,293	131,921,519	147,822,455
RETIREMENTS	11,712,484	12,395,014	12,171,802	11,991,703	10,241,424
TRANSFERS AND ADJUSTMENTS	802,093-	217,084-	445,963-	801,567-	3,774,410
PLANT IN SERVICE END OF YEAR	$ 2,249,343,670	$ 2,135,382,969	$ 2,041,097,210	$ 1,941,615,682	$ 1,822,487,420

*THIS TABLE INCLUDES GAS DATA FOR COMBINATION COMPANIES ONLY. SEE TABLE 11 FOR SIMILAR DATA ON STRAIGHT GAS COMPANIES.
**EXCLUDES ALLOCATION OF COMMON PLANT.

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
TABLE 5. DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS
YEARS ENDED DECEMBER 31

ITEM	1985	1984	1983	1982	1981
REVENUES - ULTIMATE CONSUMERS	$ 9,812,686,800	$ 9,729,200,194	$ 9,154,612,599	$ 8,465,906,723	$ 8,133,270,636
SALES-ULTIMATE CONSUMERS (000 KWH)	96,272,241	95,525,474	92,498,878	89,324,811	91,016,094
			DOLLAR AMOUNTS		
FUEL AND PURCHASED POWER	$ 2,967,417,986	$ 3,290,746,303	$ 3,264,469,395	$ 3,185,499,179	$ 3,441,964,694
WAGES AND BENEFITS	1,271,179,486	1,218,038,579	1,139,513,210	1,074,852,767	977,154,386
OTHER OPERATION AND MAINTENANCE EXPENSES	841,780,016	802,882,625	788,789,054	714,170,076	638,992,727
DEPRECIATION AND AMORTIZATION EXPENSES	621,977,713	547,465,118	514,884,206	492,225,297	447,180,368
INCOME TAXES - OPERATING	928,950,019	879,686,943	685,355,852	495,246,604	391,032,881
OTHER TAXES - OPERATING	1,505,065,414	1,460,201,961	1,347,230,567	1,202,660,236	1,123,927,784
*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	669,640,588	586,069,092	529,874,235	507,135,793	459,024,095
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	127,613,785	129,570,414	116,476,851	112,095,671	108,853,895
EARNINGS AVAILABLE FOR COMMON EQUITY	879,041,790	824,559,171	768,019,629	682,021,100	545,139,806
TOTAL	$ 9,812,686,800	$ 9,729,200,194	$ 9,154,612,599	$ 8,465,906,723	$ 8,133,270,636
			PERCENT OF REVENUES - ULTIMATE CONSUMERS		
FUEL AND PURCHASED POWER	30.2	33.8	35.7	37.6	42.3
WAGES AND BENEFITS	13.0	12.5	12.4	12.7	12.0
OTHER OPERATION AND MAINTENANCE EXPENSES	8.6	8.3	8.6	8.4	7.9
DEPRECIATION AND AMORTIZATION EXPENSES	6.3	5.6	5.6	5.8	5.5
INCOME TAXES - OPERATING	9.5	9.0	7.5	5.8	4.8
OTHER TAXES - OPERATING	15.3	14.9	14.7	14.2	13.8
*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	6.8	6.0	5.8	6.0	5.6
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1.3	1.3	1.3	1.3	1.3
EARNINGS AVAILABLE FOR COMMON EQUITY	9.0	8.5	8.4	8.1	6.7
TOTAL	100.0	100.0	100.0	100.0	100.0
			CENTS PER KWH		
FUEL AND PURCHASED POWER	3.08	3.44	3.52	3.57	3.78
WAGES AND BENEFITS	1.32	1.28	1.23	1.20	1.07
OTHER OPERATION AND MAINTENANCE EXPENSES	0.87	0.84	0.85	0.80	0.70
DEPRECIATION AND AMORTIZATION EXPENSES	0.65	0.57	0.56	0.55	0.49
INCOME TAXES - OPERATING	0.96	0.92	0.74	0.55	0.43
OTHER TAXES - OPERATING	1.56	1.52	1.46	1.35	1.23
*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	0.70	0.61	0.57	0.57	0.50
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.13	0.14	0.13	0.13	0.12
EARNINGS AVAILABLE FOR COMMON EQUITY	0.91	0.86	0.83	0.76	0.60
TOTAL	10.19	10.18	9.90	9.48	8.94
* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS:	92.73	92.34	91.74	91.14	90.54

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK**
TABLE 6. DISTRIBUTION OF GAS REVENUES
YEARS ENDED DECEMBER 31

ITEM	1985	1984	1983	1982	1981
REVENUES	$ 2,476,310,865	$ 2,607,459,612	$ 2,521,647,184	$ 2,249,132,956	$ 1,829,634,938
SALES (MCF)	383,285,772	401,488,203	371,870,251	397,128,077	378,315,596
			DOLLAR AMOUNTS		
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 1,510,405,791	$ 1,615,170,041	$ 1,633,858,408	$ 1,444,081,659	$ 1,112,152,127
WAGES AND BENEFITS	242,461,402	251,320,190	238,834,565	224,786,028	206,723,102
OTHER OPERATION AND MAINTENANCE EXPENSES	130,875,929	141,298,212	122,106,772	114,949,875	109,233,082
DEPRECIATION AND AMORTIZATION EXPENSES	72,511,441	68,873,854	61,881,387	59,230,912	49,902,511
INCOME TAXES - OPERATING	78,205,034	82,286,262	57,026,729	56,456,663	29,158,530
OTHER TAXES - OPERATING	257,380,592	250,672,970	234,163,037	208,624,257	184,108,007
*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	78,019,329	73,646,376	67,741,864	64,647,314	56,419,461
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	13,573,685	14,275,500	14,986,399	12,989,501	12,082,048
EARNINGS AVAILABLE FOR COMMON EQUITY	96,907,674	109,938,207	93,058,243	63,354,747	69,856,106
TOTAL	$ 2,476,310,865	$ 2,607,459,612	$ 2,521,647,184	$ 2,249,132,956	$ 1,829,634,938
			PERCENT OF REVENUES		
PURCHASED GAS & OTHER SUPPLY EXPENSE	61.0	61.9	64.8	64.2	60.8
WAGES AND BENEFITS	9.8	9.6	9.4	10.0	11.3
OTHER OPERATION AND MAINTENANCE EXPENSES	5.3	5.4	4.8	5.1	6.0
DEPRECIATION AND AMORTIZATION EXPENSES	2.9	2.6	2.5	2.6	2.7
INCOME TAXES - OPERATING	3.1	3.2	2.3	2.5	1.6
OTHER TAXES - OPERATING	10.4	9.6	9.3	9.3	10.1
*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	3.1	2.8	2.7	2.9	3.1
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.5	0.5	0.6	0.6	0.7
EARNINGS AVAILABLE FOR COMMON EQUITY	3.9	4.2	3.7	2.8	3.8
TOTAL	100.0	100.0	100.0	100.0	100.0
			DOLLARS PER MCF		
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.94	$ 4.02	$ 4.39	$ 3.64	$ 2.94
WAGES AND BENEFITS	0.63	0.63	0.64	0.57	0.55
OTHER OPERATION AND MAINTENANCE EXPENSES	0.34	0.35	0.33	0.29	0.29
DEPRECIATION AND AMORTIZATION EXPENSES	0.19	0.17	0.17	0.15	0.13
INCOME TAXES - OPERATING	0.20	0.20	0.15	0.14	0.08
OTHER TAXES - OPERATING	0.67	0.62	0.63	0.53	0.49
*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.20	0.18	0.18	0.16	0.15
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.04	0.04	0.04	0.03	0.03
EARNINGS AVAILABLE FOR COMMON EQUITY	0.25	0.27	0.25	0.16	0.18
TOTAL	$ 6.46	$ 6.49	$ 6.78	$ 5.66	$ 4.84
*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	6.92	6.82	7.35	7.66	8.35

**THIS TABLE INCLUDES GAS DATA FOR COMBINATION COMPANIES ONLY. SEE TABLE 12 FOR SIMILAR DATA ON STRAIGHT GAS COMPANIES

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK*
TABLE 7 STATEMENT OF CHANGES IN FINANCIAL POSITION
YEARS ENDED DECEMBER 31

ITEM	1985	1984	1983	1982	1981
FUNDS PROVIDED					
INTERNAL SOURCES:					
INCOME BEFORE EXTRAORDINARY ITEMS	$ 1,915,780,576	$ 1,812,342,871	$ 1,572,483,678	$ 1,355,068,847	$ 1,149,568,150
NON-CASH CHARGES(CREDITS) TO INCOME					
DEPRECIATION, DEPLETION, AND AMORTIZATION	781,723,190	671,123,587	647,503,908	609,268,020	553,772,904
DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	509,500,520	455,090,864	244,186,598	243,304,111	151,899,401
INTEREST CAPITALIZED	739,204,440-	670,107,354-	564,156,170-	414,336,328-	304,942,743
OTHER (NET):	54,221,698	55,134,881	38,521,987	15,473,182	96,958,017
TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	2,522,021,544	2,323,584,849	1,938,540,001	1,808,777,833	1,647,255,729
EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
TOTAL FUNDS FROM INTERNAL SOURCES	2,522,021,544	2,323,584,849	1,938,540,001	1,808,777,833	1,647,255,729
LESS DIVIDENDS: PREFERRED	143,074,197	191,984,216	204,132,141	178,672,757	180,577,432
COMMON	803,370,096	728,151,739	822,185,511	707,256,767	567,371,672
NET FUNDS FROM INTERNAL SOURCES	1,575,577,251	1,403,448,694	912,222,349	922,848,309	899,306,625
EXTERNAL SOURCES:					
LONG TERM DEBT	1,744,268,610	1,162,657,451	1,240,163,613	980,480,519	726,661,139
PREFERRED STOCK	75,000,000	50,000,000	356,768,990	96,120,614	183,398,645
COMMON STOCK	315,218,931	372,413,549	508,747,966	633,461,464	342,232,525
NET INCREASE IN SHORT TERM DEBT	62,700,000	-	33,750,000	117,550,000	36,330,000
OTHER (NET):	59,823,279-	38,265,878-	178,590,669	152,710,074	87,893,715
TOTAL FUNDS FROM EXTERNAL SOURCES	2,137,364,262	1,546,805,122	2,318,021,238	1,980,322,671	1,376,516,024
OTHER SOURCES (NET):	177,458,580	320,184,750	100,789,942	137,823,117	251,331,027
TOTAL FUNDS PROVIDED	$ 3,890,400,093	$ 3,270,438,566	$ 3,331,033,529	$ 3,040,994,097	$ 2,527,153,676
FUNDS APPLIED					
CONSTRUCTION EXPENDITURES					
GROSS ADDITIONS:					
ELECTRIC PLANT	$ 1,020,060,809	$ 1,122,985,926	$ 1,160,216,875	$ 1,260,812,891	$ 879,093,958
NUCLEAR PLANT	1,601,988,770	1,651,372,564	1,255,066,348	1,107,280,354	808,961,807
NUCLEAR FUEL	156,673,357	69,316,154	70,372,912	68,493,339	36,407,711
GAS PLANT	125,965,305	123,370,797	118,075,503	129,281,928	148,772,226
LIQUEFIED NATURAL GAS PLANT	803,265	379,441	716,989	587,464	442,974
STEAM PLANT	8,033,493	8,743,018	7,991,762	6,990,686	7,015,350
NON-UTILITY PLANT	17,951	34,625	-	2,164	13,699
OTHER	38,314,182	25,153,229	221,816,963	202,620,728	130,202,658
TOTAL GROSS ADDITIONS	2,951,857,132	3,001,335,754	2,834,257,352	2,776,049,554	2,010,910,383
LESS INTEREST CAPITALIZED	739,204,440	670,107,354	564,156,170	414,336,328	304,942,743
TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	2,212,652,692	2,331,228,400	2,270,101,182	2,361,713,226	1,705,967,640
RETIREMENT OF DEBT AND SECURITIES					
LONG TERM DEBT	714,838,639	214,459,652	368,616,119	388,509,614	432,855,607
PREFERRED STOCK	49,639,723	57,586,007	31,916,370	35,163,372	24,918,315
REDEMPTION OF CAPITAL STOCK	289,337,811	-	-	-	-
NET DECREASE IN SHORT TERM DEBT	46,050,000	101,200,000	57,900,000	15,000,000	169,021,297
OTHER (NET):	28,000,000	-	-	-	-
TOTAL RETIREMENT OF DEBT AND SECURITIES	1,127,866,173	373,245,659	458,432,489	438,672,986	626,795,219
OTHER USES (NET):	549,881,228	565,964,507	602,499,858	240,607,885	194,390,817
TOTAL FUNDS APPLIED	$ 3,890,400,093	$ 3,270,438,566	$ 3,331,033,529	$ 3,040,994,097	$ 2,527,153,676

*THIS TABLE INCLUDES DATA FOR COMBINATION COMPANIES ONLY. SEE TABLE 10 FOR SIMILAR DATA ON STRAIGHT GAS COMPANIES

Straight Gas Companies

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK*
TABLE 8 COMPARATIVE BALANCE SHEET STATEMENTS YEARS ENDED DECEMBER 31

ITEM	1985	1984	1983	1982	1981
ASSETS AND OTHER DEBITS					
GAS UTILITY PLANT	$ 1,545,583,874	$ 1,433,910,484	$ 1,340,147,994	$ 1,256,431,093	$ 1,184,136,221
ACCUMULATED PROVISION FOR DEPR. AND AMORT	365,883,311	336,993,501	310,236,707	286,829,793	268,044,588
NET GAS UTILITY PLANT	1,179,700,563	1,096,916,983	1,029,911,287	969,601,300	916,091,633
OTHER UTILITY PLANT					
ACCUMULATED PROVISION FOR DEPR. AND AMORT		-	-		
NET OTHER UTILITY PLANT			-		
TOTAL UTILITY PLANT	1,545,583,874	1,433,910,484	1,340,147,994	1,256,431,093	1,184,136,221
ACCUMULATED PROVISION FOR DEPR. AND AMORT	365,883,311	336,993,501	310,236,707	286,829,793	268,044,588
NET TOTAL UTILITY PLANT	1,179,700,563	1,096,916,983	1,029,911,287	969,601,300	916,091,633
NONUTILITY PROPERTY LESS ACCUMULATED PROV FOR DEPRECIATION AND AMORTIZATION	1,495,115	1,751,946	1,255,509	1,139,492	1,051,618
INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
INVESTMENT IN SUBSIDIARY COMPANIES	35,747,423	34,622,932	33,255,238	26,946,553	23,463,734
OTHER INVESTMENTS	998,326	779,427	783,966	656,956	398,774
SPECIAL FUNDS	425	425	425	206,295	256,388
TOTAL OTHER PROPERTY AND INVESTMENTS	38,241,289	37,154,730	35,295,138	28,949,302	25,170,514
CASH	15,359,561	12,384,622	8,739,816	8,322,140	13,958,844
SPECIAL DEPOSITS	3,887,801	3,365,824	3,167,651	3,001,213	2,712,233
WORKING FUNDS	666,711	585,567	524,735	570,785	479,272
TEMPORARY CASH INVESTMENTS	25,233,606	2,067,396	1,561,357		10,876,828
NOTES AND ACCOUNTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	104,465,477	115,156,954	147,439,392	124,089,109	117,668,721
RECEIVABLES FROM ASSOCIATED COMPANIES	1,661,675	1,596,144	1,624,782	944,920	876,300
MATERIALS AND SUPPLIES	23,264,220	27,261,158	26,067,274	27,176,317	29,437,474
GAS STORED UNDERGROUND CURRENT	3,936,873	3,682,098	3,749,012	2,534,001	733,300
LIQUEFIED NATURAL GAS IN STORAGE	6,191,923	5,682,831	4,923,790	4,471,286	3,648,111
PREPAYMENTS	110,582,139	107,902,691	109,746,873	126,750,266	98,991,412
OTHER CURRENT AND ACCRUED ASSETS	142,206,569	117,547,339	132,365,614	100,363,149	101,812,149
TOTAL CURRENT AND ACCRUED ASSETS	437,426,555	397,232,623	441,500,296	398,822,786	381,200,644
UNAMORTIZED DEBT EXPENSE	7,724,908	3,277,362	3,589,739	1,907,946	2,163,908
EXTRAORDINARY PROPERTY LOSSES	-	-			
PRELIMINARY SURVEY + INVESTIGATION CHARGES	330,235	342,332	111,173	378,944	333,868
CLEARING ACCOUNTS	822,596	806,410	340,306	573,019	1,913,576
DEFERRED LOSSES FROM DISP. OF UTILITY PLT	-	-		-	-
RESEARCH AND DEVELOPMENT	1,446,931-	938,571-	273,305	620,377	372,478
ACCUMULATED DEFERRED INCOME TAXES	1,992,979	3,767,279	3,291,560	1,534,148	111,633
OTHER DEFERRED DEBITS	60,669,193	46,724,555	83,386,360	101,879,826	25,154,062
TOTAL DEFERRED DEBITS	70,092,978	53,978,367	90,945,833	106,794,260	29,266,459
TOTAL ASSETS AND OTHER DEBITS	$ 1,725,461,385	$ 1,585,282,703	$ 1,597,552,555	$ 1,504,167,647	$ 1,361,828,167
LIABILITIES AND OTHER CREDITS					
COMMON STOCK ISSUED	$ 80,323,391	$ 79,885,915	$ 79,418,002	$ 77,632,916	$ 76,810,149
PREFERRED STOCK ISSUED	77,284,225	78,884,225	80,484,225	82,084,225	83,684,114
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
PREMIUM ON CAPITAL STOCK	125,213,962	109,338,987	95,881,104	57,212,171	49,566,999
OTHER PAID-IN CAPITAL	65,854,510	65,723,310	65,481,675	65,393,006	65,073,088
INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
CAPITAL STOCK EXPENSE	12,723-	12,723-	12,723-	12,723-	12,723-
RETAINED EARNINGS	315,779,946	292,175,274	262,407,158	236,461,229	216,791,610
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	1,939,325-	1,579,238-	2,371,933-	1,712,614-	2,080,857-
REACQUIRED CAPITAL STOCK	1,149,125-	1,725,700-	2,150,850-	3,061,850-	3,597,061-
TOTAL PROPRIETARY CAPITAL	661,354,867	622,690,110	579,136,665	513,998,361	486,226,407
BONDS (LESS BONDS REACQUIRED)	338,443,260	265,091,300	245,417,322	240,635,000	244,925,000
ADVANCES FROM ASSOCIATED COMPANIES	158,201,314	162,246,821	187,390,528	152,806,168	157,938,808
OTHER LONG-TERM DEBT	3,477,187	3,955,496	3,958,047	4,456,903	4,955,041
NET UNAMORTIZED PREMIUM AND DISCOUNT	958,754-	1,079,061-	1,250,416-	860,499-	1,016,883-
TOTAL LONG-TERM DEBT	499,163,007	430,214,556	435,515,481	397,037,572	406,801,969
NOTES PAYABLE	700,000	47,654,265	75,001,755	93,400,863	40,985,732
ACCOUNTS PAYABLE	80,529,954	72,070,444	82,764,637	81,201,864	75,062,229
PAYABLES TO ASSOCIATED COMPANIES	197,915,306	127,781,238	141,700,394	193,554,471	110,345,119
CUSTOMER DEPOSITS	18,142,128	15,714,494	14,263,803	12,723,657	11,414,997
TAXES ACCRUED	18,887,781	22,865,882	33,283,953	9,843,610	31,274,401
INTEREST ACCRUED	10,719,656	9,492,346	8,836,717	9,323,764	9,778,896
DIVIDENDS DECLARED	13,860,660	11,716,286	10,269,614	8,872,565	8,238,190
TAX COLLECTIONS PAYABLE	7,376,024	7,601,936	8,119,730	7,136,747	7,536,633
OTHER CURRENT AND ACCRUED LIABILITIES	54,442,698	77,433,913	65,865,733	57,248,566	87,383,292
TOTAL CURRENT AND ACCRUED LIABILITIES	402,573,107	393,330,803	440,106,336	473,305,307	382,119,989
CUSTOMER ADVANCES FOR CONSTRUCTION	1,104,142	1,002,428	968,730	557,610	566,540
DEFERRED GAINS FROM DISP. OF UTILITY PLT	-	-	-		-
ACCUM. DEFERRED INVESTMENT TAX CREDITS	51,524,549	44,423,966	36,768,813	29,884,434	23,381,879
OTHER DEFERRED CREDITS	8,074,731	8,772,285	6,020,952	4,984,291	6,112,376
ACCUMULATED DEFERRED INCOME TAXES					
ACCELERATED AMORTIZATION	490,713	-	-	-	-
LIBERALIZED DEPRECIATION	68,919,131	56,085,074	44,131,082	34,267,555	26,049,607
OTHER	30,587,282	25,347,569	51,633,289	47,333,451	19,025,427
TOTAL DEFERRED CREDITS	160,700,548	135,631,320	139,522,866	117,027,341	75,135,778
PROPERTY INSURANCE RESERVE	-	-	-	-	-
INJURIES AND DAMAGES RESERVE	2,928,397	2,723,067	2,688,420	2,264,018	2,077,313
PENSIONS AND BENEFITS RESERVE	44,436	44,000	-	-	-
MISCELLANEOUS OPERATING RESERVE	697,028	648,847	582,797	534,049	466,794
TOTAL OPERATING RESERVES	3,669,861	3,415,914	3,271,217	2,798,067	2,543,107
TOTAL LIABILITIES AND OTHER CREDITS	$ 1,725,461,385	$ 1,585,282,703	$ 1,597,552,555	$ 1,504,167,648	$ 1,351,828,250

*DOES NOT INCLUDE UTILITIES THAT PROVIDE BOTH ELECTRIC AND GAS SERVICE

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK*
TABLE 9 COMPARATIVE INCOME STATEMENTS YEARS ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981
COMPARATIVE INCOME STATEMENTS					
GAS UTILITY OPERATING INCOME					
OPERATING REVENUES	$ 2,061,055,631	$ 2,155,454,865	$ 2,129,460,050	$ 1,968,337,051	$ 1,756,968,138
OPERATION AND MAINTENANCE EXPENSE	1,644,550,627	1,743,456,100	1,750,051,917	1,626,791,786	1,463,013,909
DEPRECIATION EXPENSE	38,573,633	36,202,815	33,593,333	30,411,089	28,598,847
AMORTIZATION	775,202	1,400,604	1,228,766	2,016,334	2,176,692
TAXES OTHER THAN INCOME TAXES-OPERATING	189,340,536	189,133,071	179,190,653	160,315,124	143,661,272
INCOME TAXES-OPERATING	54,623,821	52,327,584	41,522,249	36,294,294	22,109,031
GAINS/LOSSES FROM DISP. OF UTILITY PLT	-				
TOTAL OPERATING EXPENSES	1,927,863,817	2,022,520,177	2,005,586,918	1,855,828,628	1,659,559,750
NET OPERATING REVENUES	133,191,814	132,934,688	123,873,132	112,508,423	97,408,388
INCOME FROM GAS PLANT LEASED TO OTHERS					-
GAS UTILITY OPERATING INCOME	133,191,814	132,934,688	123,873,132	112,508,423	97,408,388
OTHER UTILITY OPERATING INCOME				-	-
TOTAL UTILITY OPERATING INCOME	133,191,814	132,934,688	123,873,132	112,508,423	97,408,388
OTHER INCOME					
INC. FROM MDSE, JOBBING, & CONTRACT WORK	4,837-	42,100	176,974	716,444-	282,184-
INCOME FROM NONUTILITY OPERATIONS	-			-	-
NONOPERATING RENTAL INCOME	207,851	240,075	293,276	742,258	236,190
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	231,199-	916,582	552,432	442,575	309,097
INTEREST AND DIVIDEND INCOME	6,054,398	6,980,619	4,744,809	2,994,267	3,858,252
ALLOWANCE FOR CONSTRUCTION FUNDS	1,728,686	1,165,817	1,760,665	1,293,109	781,424
MISCELLANEOUS NONOPERATING INCOME	706,469	835,875	1,496,264	1,031,573	1,154,448
GAIN ON DISPOSITION OF PROPERTY	-	27,572	14,990	115	714,328
TOTAL OTHER INCOME	8,461,368	10,208,640	7,050,598	5,787,453	6,771,555
TOTAL INCOME	141,653,182	143,143,328	130,923,730	118,295,876	104,179,943
INCOME DEDUCTIONS					
TAXES OTHER THAN INCOME TAXES-NONOP	217,091	414,454	315,455	65,462	280,622
INCOME TAXES-NONOPERATING	225,755	1,202,818	731,874	155,522-	842,622-
LOSS ON DISPOSITION OF PROPERTY	-	5,258	8,287	3,229	2,356
MISCELLANEOUS AMORTIZATION	-	-	6,135	-	-
MISCELLANEOUS INCOME DEDUCTIONS	2,305,327	1,635,455	988,906	910,523	1,139,190
TOTAL INCOME DEDUCTIONS	2,748,173	3,257,985	2,050,657	823,692	579,546
INCOME BEFORE INTEREST CHARGES	138,905,009	139,885,343	128,873,073	117,472,184	103,600,397
INTEREST CHARGES					
INTEREST ON LONG-TERM DEBT	28,730,677	25,949,140	23,975,727	24,044,565	17,829,719
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	504,778	497,457	473,729	421,738	244,746
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	32,110	32,412-	33,875-	35,975-	36,517-
INTEREST ON DEBT TO ASSOCIATED COMPANIES	19,455,793	17,885,813	18,952,241	17,337,438	17,050,932
OTHER INTEREST EXPENSE	7,183,315	11,149,319	12,104,414	12,365,412	11,576,734
TOTAL INTEREST CHARGES	55,845,403	55,449,317	55,472,236	54,133,175	46,665,614
INCOME BEFORE EXTRAORDINARY ITEMS	83,059,606	84,436,026	73,400,837	63,339,009	56,934,783
EXTRAORDINARY ITEMS					
EXTRAORDINARY INCOME			-		
EXTRAORDINARY DEDUCTIONS					
INCOME TAXES, EXTRAORDINARY ITEMS		-	-	-	
TOTAL EXTRAORDINARY ITEMS	-			-	
NET INCOME	$ 83,059,606	$ 84,436,026	$ 73,400,837	$ 63,339,009	$ 56,934,783
DIVIDENDS DECLARED-PREFERRED STOCK	$ 7,862,308	$ 7,957,531	$ 8,059,042	$ 8,085,837	$ 5,817,093
-COMMON STOCK	51,927,921	45,872,564	39,843,430	34,162,750	33,199,880
SELECTED BALANCE SHEET RELATIONSHIPS					
GAS UTILITY PLANT/ DOLLAR OF GAS REVENUE	0.72	0.64	0.61	0.62	0.66
OTHER UTILITY PLT/DOLLAR OF OTHER REVENUE	-	-	-	-	
TOTAL UTILITY PLT/DOLLAR OF TOTAL REVENUE	0.72	0.64	0.61	0.62	0.66
CURRENT ASSETS / BY CURRENT LIABILITIES	1.09	1.01	1.00	0.84	1.10
PERCENT OF CAPITALIZATION					
LONG-TERM DEBT	42.9	40.8	42.9	43.5	45.6
PREFERRED STOCK	6.8	7.4	7.9	9.2	7.3
COMMON STOCK AND OTHER PAID-IN CAPITAL	23.1	23.8	23.2	21.4	22.8
RETAINED EARNINGS	27.2	27.7	25.8	25.9	24.3
LONG-TERM DEBT % OF GROSS UTILITY PLANT	32.1	30.0	32.4	31.6	34.3
% OF NET UTILITY PLANT	42.1	39.7	42.2	40.9	44.4
ACCUMULATED PROV FOR DEPR % OF UTILITY PLT	23.6	23.5	23.1	22.8	22.6
SELECTED INCOME ACCOUNT RELATIONSHIPS					
PERCENT OF GAS OPERATING REVENUES					
GAS OPERATION AND MAINTENANCE	79.7	80.8	82.2	82.6	83.2
GAS DEPRECIATION AND AMORTIZATION	1.9	1.7	1.6	1.6	1.7
TOTAL INCOME TAXES-GAS, OPERATING	2.6	2.4	1.9	1.8	1.3
OTHER TAXES-GAS, OPERATING	9.2	8.8	8.4	8.1	8.2
GAINS/LOSSES FROM DISP. OF UTILITY PLANT					-
TOTAL GAS OPERATING EXPENSE	93.5	93.8	94.2	94.3	94.4
GAS OPERATING INCOME	6.4	6.2	5.8	5.7	5.5
GAS DEPR. AND AMORT. % OF GAS UTILITY PLT	2.8	2.6	2.4	2.6	2.5
INTEREST EXPENSE					
PERCENT OF OPERATING REVENUES	2.7	2.6	2.6	2.8	2.7
PRETAX INTEREST COVERAGE	3.5	3.5	3.1	2.8	[illegible]
NET INCOME-PERCENT OF OPERATING REVENUES	4.0	3.9	3.4	3.2	3.2
DIVIDEND APPROPRIATIONS, PREFERRED STOCK					
PERCENT OF OPERATING REVENUES	0.3	0.3	0.3	0.4	0.3
TIMES EARNED	10.6	10.6	9.1	7.8	9.8
DIVIDEND APPROPRIATIONS, COMMON STOCK					
PERCENT OF OPERATING REVENUES	2.5	2.1	1.8	1.7	1.8
PERCENT OF EARNINGS AVAILABLE FOR COMMON	69.0	59.9	60.9	61.8	64.9
PERCENT OF AVERAGE COMMON EQUITY					
EARNINGS AVAILABLE FOR COMMON STOCK	13.3	14.6	14.0	13.2	13.0
DIVIDEND APPROPRIATIONS, COMMON STOCK	9.2	8.8	8.5	8.1	8.5

*DOES NOT INCLUDE UTILITIES THAT PROVIDE BOTH ELECTRIC AND GAS SERVICE

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK*
TABLE 10 STATEMENT OF CHANGES IN FINANCIAL POSITION
YEARS ENDED DECEMBER 31

ITEM		1985		1984		1983		1982		1981
FUNDS PROVIDED										
INTERNAL SOURCES										
INCOME BEFORE EXTRAORDINARY ITEMS	$	83,059,606	$	84,436,028	$	73,400,838	$	63,339,009	$	56,934,781
NON-CASH CHARGES(CREDITS) TO INCOME										
DEPRECIATION, DEPLETION, AND AMORTIZATION		41,791,228		39,206,469		35,813,071		33,154,424		31,703,108
DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)		27,829,888		7,026,033-		19,900,277		41,999,200		4,738,475
INTEREST CAPITALIZED		1,728,686-		1,165,817-		1,260,665-		1,293,109-		781,424-
OTHER (NET)		258,892		36,000		460,581		99,800		66,784
TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS		151,210,928		115,486,647		128,314,102		137,299,324		92,770,724
EXTRAORDINARY ITEM NET OF INCOME TAXES		-		-		-		-		
TOTAL FUNDS FROM INTERNAL SOURCES		151,210,928		115,486,647		128,314,102		137,299,324		92,770,724
LESS DIVIDENDS: PREFERRED		7,862,306		7,957,531		8,059,042		8,085,837		5,867,093
COMMON		51,927,921		45,872,563		39,843,430		34,162,750		33,199,580
NET FUNDS FROM INTERNAL SOURCES		91,420,701		61,656,553		80,411,630		92,050,736		53,704,051
EXTERNAL SOURCES										
LONG TERM DEBT		114,480,293		53,092,821		90,838,078		1,000,000		55,050,000
PREFERRED STOCK		-		-		-				20,000,000
COMMON STOCK		16,312,451		13,925,796		40,454,014		8,467,939		5,210,495
NET INCREASE IN SHORT TERM DEBT		61,860,000		12,100,000		620,000		128,315,000		26,870,732
OTHER (NET)		-		43,756,544		-		535,201		
TOTAL FUNDS FROM EXTERNAL SOURCES		192,652,744		122,875,161		131,912,092		138,318,140		107,131,227
OTHER SOURCES (NET)		12,106,458		22,827,339		40,394,527		2,061,243		42,343,030
TOTAL FUNDS PROVIDED	$	296,179,903	$	207,359,053	$	252,718,249	$	232,430,119	$	203,178,308
FUNDS APPLIED										
CONSTRUCTION EXPENDITURES										
GROSS ADDITIONS										
GAS PLANT	$	115,660,190	$	102,418,474	$	93,784,653	$	85,170,616	$	77,276,473
LIQUEFIED NATURAL GAS PLANT		8,134,644		3,865,632		838,620		233,462		1,980,306
NON-UTILITY PLANT		132,445-		188,238		185,356		147,903		166,397
OTHER		144,089		181,796		190,167		174,027		87,020
TOTAL GROSS ADDITIONS		123,806,478		106,654,090		94,998,796		85,726,008		79,509,795
LESS INTEREST CAPITALIZED		1,728,686		1,165,817		1,260,665		1,293,109		781,424
TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED		122,077,792		105,488,273		93,738,131		84,432,899		78,728,371
RETIREMENT OF DEBT AND SECURITIES										
LONG TERM DEBT		94,593,081		31,932,592		31,958,414		10,765,397		12,886,001
PREFERRED STOCK		1,693,333		1,600,000		1,600,000		1,600,000		1,010,000
REDEMPTION OF CAPITAL STOCK		576,575-		425,150-		911,000-		-		171,302
NET DECREASE IN SHORT TERM DEBT		-		57,250,000		103,650,863		294,869		17,070,200
OTHER (NET)		-		-		-				
TOTAL RETIREMENT OF DEBT AND SECURITIES		95,709,839		90,357,442		136,298,277		12,660,266		31,137,503
OTHER USES (NET)		78,392,272		11,513,338		22,681,841		135,336,954		93,312,434
TOTAL FUNDS APPLIED	$	296,179,903	$	207,359,053	$	252,718,249	$	232,430,119	$	203,178,308

*THIS TABLE INCLUDES DATA FOR STRAIGHT GAS COMPANIES ONLY. SEE TABLE 7 FOR SIMILAR DATA ON COMBINATION COMPANIES

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK*
TABLE 11 COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

ITEM	1985	1984	1983	1982	1981
GAS OPERATING REVENUES					
REVENUES					
RESIDENTIAL	$ 1,364,635,914	$ 1,418,829,922	$ 1,361,711,801	$ 1,230,958,620	$ 1,027,845,782
COMMERCIAL AND INDUSTRIAL	598,383,793	644,642,864	675,264,099	659,738,886	639,872,230
OTHER SALES TO PUBLIC AUTHORITIES	42,381,714	44,537,304	38,435,612	30,185,507	24,935,274
INTERDEPARTMENTAL	-	-	-	-	-
TOTAL REVENUES FROM ULTIMATE CONSUMERS	2,005,401,421	2,108,010,090	2,075,411,512	1,920,883,013	1,692,653,286
RESALE	41,725,594	34,970,941	40,985,467	35,586,972	55,977,911
TOTAL REVENUES FROM SALES OF GAS	2,047,127,015	2,142,981,031	2,116,396,979	1,956,469,985	1,748,631,197
OTHER GAS OPERATING REVENUES	13,928,617	12,473,834	13,063,070	11,867,066	8,336,941
TOTAL GAS OPERATING REVENUES	$ 2,061,055,632	$ 2,155,454,865	$ 2,129,460,050	$ 1,968,337,051	$ 1,756,968,138
GAS SALES (MCF)					
RESIDENTIAL	172,775,666	180,443,448	173,173,711	185,082,034	188,504,550
COMMERCIAL AND INDUSTRIAL	104,525,075	109,808,188	111,084,383	126,295,237	149,520,098
OTHER SALES TO PUBLIC AUTHORITIES	6,465,729	6,583,046	5,774,629	4,664,705	4,427,945
INTERDEPARTMENTAL	-			-	-
TOTAL SALES TO ULTIMATE CONSUMERS	283,766,470	296,834,682	290,032,723	316,041,976	342,452,593
RESALE	10,619,912	8,132,726	9,212,463	8,065,038	11,796,068
TOTAL GAS SALES	294,386,382	304,967,408	299,245,186	324,107,014	354,248,661
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)					
RESIDENTIAL	1,775,364	1,766,879	1,757,883	1,754,976	1,752,638
COMMERCIAL AND INDUSTRIAL	81,750	80,754	79,930	79,671	78,821
OTHER SALES TO PUBLIC AUTHORITIES	2,995	2,933	2,815	2,592	1,911
INTERDEPARTMENTAL	-	-		-	
TOTAL ULTIMATE CONSUMERS	1,860,109	1,850,566	1,840,628	1,837,239	1,833,371
RESALE	4	4	5	6	6
TOTAL CUSTOMERS	1,860,113	1,850,570	1,840,633	1,837,245	1,833,377
GAS OPERATING REVENUE RELATIONSHIPS					
RESIDENTIAL SALES					
AVERAGE ANNUAL BILL PER CUSTOMER	768.65	803.01	774.63	701.41	586.46
AVERAGE MCF CONSUMPTION PER CUSTOMER	97.3	102.1	98.5	105.5	107.6
AVERAGE REVENUE PER MCF SOLD	7.90	7.86	7.86	6.65	5.45
COMMERCIAL AND INDUSTRIAL SALES					
AVERAGE ANNUAL BILL PER CUSTOMER	7,319.68	7,982.80	8,448.19	8,280.79	8,118.04
AVERAGE MCF CONSUMPTION PER CUSTOMER	1,278.6	1,359.8	1,389.8	1,585.2	1,897.0
AVERAGE REVENUE PER MCF SOLD	5.72	5.87	6.08	5.22	4.28
GAS OPERATION AND MAINTENANCE EXPENSES					
PRODUCTION EXPENSES					
MANUFACTURED GAS					
STEAM	$ 1,727,395	$ 1,683,111	$ 1,594,112	$ 1,314,356	$ 1,798,118
MANUFACTURED GAS	9,257,893	9,821,624	12,154,403	10,958,559	24,799,241
NATURAL GAS					
PRODUCTION AND GATHERING	714,111	663,530	402,660	580,169	830,631
OTHER GAS SUPPLY EXPENSES					
PURCHASED GAS	1,279,993,810	1,389,309,559	1,421,541,647	1,317,924,535	1,160,175,972
OTHER	509,785-	253,535	1,425,424-	858,349-	580,738-
TOTAL PRODUCTION EXPENSES	1,291,183,424	1,401,731,359	1,434,267,398	1,329,917,270	1,187,020,724
NATURAL GAS STORAGE EXPENSES					
UNDERGROUND STORAGE EXPENSES		-	-		-
OTHER STORAGE EXPENSES	4,914,362	4,892,992	4,843,112	4,674,680	4,227,109
TOTAL NATURAL GAS STORAGE EXPENSES	4,914,362	4,892,992	4,843,112	4,674,680	4,227,109
TRANSMISSION EXPENSES	989,817	965,850	893,847	795,329	841,298
DISTRIBUTION EXPENSES	130,567,218	125,181,130	116,709,993	114,492,799	111,739,105
CUSTOMER ACCOUNTS EXPENSES	83,564,916	84,392,573	80,083,040	73,884,287	64,032,558
SALES EXPENSES	12,883,091	10,978,761	9,072,196	8,687,054	8,011,455
ADMINISTRATIVE AND GENERAL EXPENSES	120,447,799	115,313,434	104,182,331	94,390,887	87,142,160
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 1,644,550,627	$ 1,743,456,100	$ 1,750,051,917	$ 1,626,791,786	$ 1,463,013,909
GAS UTILITY PLANT*					
GAS UTILITY PLANT					
GAS PLANT IN SERVICE					
INTANGIBLE PLANT	$ 375,432	$ 375,432	$ 375,432	$ 375,432	$ 366,421
PRODUCTION PLANT					
MANUFACTURED GAS PLANT	55,513,052	54,656,523	54,272,175	54,030,744	53,479,104
NATURAL GAS PLANT	20,746,026	21,184,256	22,408,247	23,410,467	24,858,264
NATURAL GAS STORAGE PLANT					
UNDERGROUND STORAGE PLANT	-	-	-	-	-
OTHER STORAGE PLANT	53,033,207	48,378,802	46,880,971	46,297,109	46,096,895
TRANSMISSION PLANT	28,586,440	27,114,144	28,689,359	29,180,324	31,666,351
DISTRIBUTION PLANT	1,267,072,334	1,179,088,230	1,097,810,065	1,025,782,641	951,524,958
GENERAL PLANT	101,598,985	85,749,674	72,160,966	65,912,015	61,682,461
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-
GAS STORED UNDERGROUND-NONCURRENT	857,650	857,650	857,650	857,650	857,650
TOTAL GAS PLANT IN SERVICE	1,527,783,305	1,417,404,711	1,323,454,865	1,245,846,383	1,170,512,104
PLANT LEASED TO OTHERS	-	-	-	-	-
PLANT HELD FOR FUTURE USE	334,730	37,559	37,559	37,559	40,259
CONSTRUCTION WORK IN PROGRESS	17,466,020	16,468,215	16,655,570	10,547,151	13,583,858
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
TOTAL GAS UTILITY PLANT	1,545,583,874	1,433,910,484	1,340,147,994	1,256,431,093	1,184,136,221
ACCUM. PROVISION FOR DEPRECIATION & AMORT.	365,883,311	336,993,501	310,236,707	286,829,793	268,044,588
NET GAS UTILITY PLANT	$ 1,179,700,563	$ 1,096,916,983	$ 1,029,911,287	$ 969,601,300	$ 916,091,633
PLANT IN SERVICE BEGINNING OF YEAR	$ 1,417,404,711	$ 1,323,454,865	$ 1,245,846,385	$ 1,170,512,104	$ 1,082,827,231
ADDITIONS	116,553,790	101,173,580	85,119,459	86,853,059	96,914,956
RETIREMENTS	10,804,166	11,754,481	10,872,254	12,883,691	9,418,847
TRANSFERS AND ADJUSTMENTS	4,628,790	4,530,748	3,361,275	1,364,911	188,765
PLANT IN SERVICE END OF YEAR	$ 1,527,783,124	$ 1,417,404,710	$ 1,323,454,865	$ 1,245,846,383	$ 1,170,512,104

*THIS TABLE INCLUDES DATA FOR STRAIGHT GAS COMPANIES ONLY. SEE TABLE 4 FOR GAS DATA ON COMBINATION COMPANIES.

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK*
TABLE 12 DISTRIBUTION OF GAS REVENUES
YEARS ENDED DECEMBER 31

ITEM	1985	1984	1983	1982	1981
REVENUES	$ 2,061,055,631	$ 2,155,454,865	$ 2,129,460,050	$ 1,968,337,051	$ 1,756,968,138
SALES (MCF)	294,386,382	304,967,408	299,245,186	324,107,014	354,748,661
			DOLLAR AMOUNTS		
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 1,279,484,025	$ 1,389,563,094	$ 1,420,116,223	$ 1,317,066,186	$ 1,159,595,234
WAGES AND BENEFITS	151,401,932	210,551,554	192,621,733	183,327,580	168,166,252
OTHER OPERATION AND MAINTENANCE EXPENSES	213,664,670	143,341,452	137,313,961	126,398,020	135,252,423
DEPRECIATION AND AMORTIZATION EXPENSES	39,348,835	37,603,419	34,822,098	32,427,423	30,775,539
INCOME TAXES - OPERATING	54,623,821	52,327,584	41,522,249	36,294,294	27,109,031
OTHER TAXES - OPERATING	189,340,536	189,133,071	179,190,653	160,315,124	143,661,272
*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	55,559,745	55,227,516	54,997,177	53,547,385	46,347,648
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	7,712,305	7,848,547	7,979,521	8,003,300	5,767,941
EARNINGS AVAILABLE FOR COMMON EQUITY	69,919,764	69,858,625	60,896,434	50,957,758	45,292,799
TOTAL	$ 2,061,055,631	$ 2,155,454,865	$ 2,129,460,050	$ 1,968,337,051	$ 1,756,968,138
			PERCENT OF REVENUES		
PURCHASED GAS & OTHER SUPPLY EXPENSE	62.1	64.5	66.7	66.9	66.0
WAGES AND BENEFITS	7.3	9.8	9.0	9.3	9.6
OTHER OPERATION AND MAINTENANCE EXPENSES	10.4	6.7	6.4	6.4	7.7
DEPRECIATION AND AMORTIZATION EXPENSES	1.9	1.7	1.6	1.6	1.8
INCOME TAXES - OPERATING	2.7	2.4	1.9	1.8	1.5
OTHER TAXES - OPERATING	9.2	8.8	8.4	8.1	8.2
*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	2.7	2.6	2.6	2.7	2.6
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.4	0.4	0.4	0.4	0.3
EARNINGS AVAILABLE FOR COMMON EQUITY	3.4	3.2	2.9	2.6	2.6
TOTAL	100.0	100.0	100.0	100.0	100.0
			DOLLARS PER MCF		
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 4.35	$ 4.56	$ 4.75	$ 4.06	$ 3.27
WAGES AND BENEFITS	0.51	0.69	0.64	0.57	0.47
OTHER OPERATION AND MAINTENANCE EXPENSES	0.73	0.47	0.46	0.39	0.38
DEPRECIATION AND AMORTIZATION EXPENSES	0.13	0.12	0.12	0.10	0.09
INCOME TAXES - OPERATING	0.19	0.17	0.14	0.11	0.08
OTHER TAXES - OPERATING	0.64	0.62	0.60	0.49	0.41
*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.19	0.18	0.18	0.17	0.13
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.03	0.03	0.03	0.02	0.02
EARNINGS AVAILABLE FOR COMMON EQUITY	0.24	0.23	0.20	0.16	0.13
TOTAL	$ 7.00	$ 7.07	$ 7.12	$ 6.07	$ 4.95

*THESE ARE STRAIGHT GAS COMPANIES. THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY. SEE TABLE 6 FOR GAS DATA ON COMBINATION COMPANIES

Telephone Companies

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 13 COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981
ASSETS AND OTHER DEBITS					
TELEPHONE PLANT	$ 17,515,426,376	$ 16,508,214,055	$ 16,385,309,003	$ 15,691,905,449	$ 14,758,816,220
ACCUMULATED PROVISION FOR DEPR+AMORT	4,732,890,160	4,210,723,184	3,686,943,019	3,384,047,252	3,042,626,860
NET TELEPHONE PLANT	12,782,536,216	12,297,490,870	12,698,365,983	12,307,858,197	11,716,189,359
INVESTMENTS IN AFFILIATED COMPANIES	132,602,210	104,650,649	96,598,469	99,141,821	88,678,798
ADVANCES TO AFFILIATED COMPANIES	2,350,162	1,600,000	2,179,281	4,833,070	2,556,930
MISCELLANEOUS PHYSICAL PROPERTY	19,476,752	24,845,867	11,552,891	10,519,987	11,686,502
OTHER INVESTMENTS AND FUNDS	5,226,954	5,484,027	5,715,055	6,522,213	7,070,941
TOTAL INVESTMENTS AND FUNDS	159,656,078	136,580,543	116,045,696	121,017,091	109,993,171
CASH AND WORKING FUNDS	85,017,997	77,563,544	65,869,492	68,885,049	45,405,964
SPECIAL CASH DEPOSITS	25,733,025	24,517,553	31,156,538	9,044,963	1,840,030
TEMPORARY CASH INVESTMENTS	20,141,633	33,242,767	26,959,797	58,403,070	85,462,214
NOTES+ACCTS REC FROM AFFILIATED CO'S	18,885,425	36,646,772	44,935,373	17,666,062	11,596,240
OTHER NOTES AND ACCOUNTS RECEIVABLE	718,124,393	627,874,565	49,051,170	48,927,113	34,180,265
DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	1,246,447,559	1,098,282,952	1,096,653,352	1,054,274,226	895,100,527
MATERIALS AND SUPPLIES*	78,608,623	62,647,191	79,310,664	69,135,869	79,589,890
PREPAYMENTS	54,047,620	44,756,573	123,437,102	114,485,844	104,601,429
OTHER CURRENT AND ACCRUED ASSETS	8,163,773	4,634,539	3,091,060	3,648,422	4,812,766
TOTAL CURRENT AND ACCRUED ASSETS	2,254,950,049	2,010,166,457	1,520,464,549	1,444,470,618	1,262,389,327
UNAMORTIZED DEBT DISCOUNT AND EXPENSE	84,095,507	86,881,601	45,107,857	38,776,663	40,151,116
EXTRAORDINARY MAINTENANCE+RETIREMENTS	23,109	124,161	58,578	47,508	56,853
RESEARCH AND DEVELOPMENT	-	-	-	1,660	-
OTHER DEFERRED DEBITS	511,267,144	387,702,049	293,823,742	162,720,394	82,764,538
TOTAL DEFERRED DEBITS	595,385,760	474,707,811	338,990,177	201,546,225	122,972,507
TOTAL ASSETS AND OTHER DEBITS	15,792,528,105	$ 14,918,945,682	$ 14,673,866,406	$ 14,074,892,132	$ 13,211,544,364
LIABILITIES AND OTHER CREDITS					
COMMON CAPITAL STOCK	$ 4,043,455,143	$ 4,013,556,070	$ 4,564,505,373	$ 4,560,409,748	$ 4,349,820,404
PREFERRED CAPITAL STOCK	31,944,120	32,315,520	32,800,520	34,530,820	35,159,820
STOCK LIABILITY FOR CONVERSION	250	250	250	250	250
PREMIUM ON CAPITAL STOCK	100,328,418	100,254,664	59,874,338	59,183,443	57,626,215
CAPITAL STOCK SUBSCRIBED	42,600	42,600	42,600	-	-
INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
OTHER PAID-IN CAPITAL	37,624,024	37,626,629	34,121,524	27,216,064	27,218,664
CAPITAL STOCK EXPENSE	119,254-	128,712-	86,920-	57,918-	60,523-
RETAINED EARNINGS	1,724,545,319	1,568,544,501	1,257,123,816	1,236,000,907	1,162,638,198
TOTAL PROPRIETARY CAPITAL	5,937,820,619	5,752,211,522	5,948,381,501	5,917,283,113	5,632,403,028
BONDS(LESS BONDS REACQUIRED)	4,024,315,817	4,129,903,995	4,090,382,123	3,937,247,500	4,058,694,813
ADVANCES FROM AFFILIATED COMPANIES	237,375,000	188,850,000	415,975,021	187,891,531	103,072,495
OTHER LONG-TERM DEBT	46,015,150	31,592,443	11,924,704	12,017,796	11,863,105
TOTAL LONG-TERM DEBT	4,307,705,967	4,350,346,438	4,518,281,848	4,137,156,827	4,173,630,413
NOTES+ACCTS PAY TO AFFILIATED CO'S	376,475,407	394,151,308	137,379,976	129,712,482	169,314,001
OTHER NOTES AND ACCOUNTS PAYABLE	1,259,909,732	943,141,444	713,985,208	861,604,618	650,585,922
CUSTOMERS' DEPOSITS	45,134,900	66,078,468	66,908,984	63,030,595	61,263,561
ADVANCE BILLING AND PAYMENTS	129,257,696	123,107,952	146,669,800	179,070,441	151,288,246
TAXES ACCRUED	259,155,615	242,386,668	95,544,167	123,797,313	79,981,134
OTHER CURRENT AND ACCRUED LIABILITIES	275,008,671	124,790,539	142,840,482	131,831,278	123,399,994
TOTAL CURRENT AND ACCRUED LIABILITIES	2,344,942,022	1,892,656,382	1,303,328,619	1,489,046,727	1,235,832,858
UNAMORTIZED PREMIUM ON DEBT	1,535,445	1,644,036	1,752,654	1,861,504	2,004,641
ACCUM. DEFERRED INVESTMENT TAX CREDITS	650,465,176	625,087,731	648,212,673	606,551,354	541,229,066
OTHER DEFERRED CREDITS	64,171,276	69,266,982	106,637,641	61,121,006	34,844,590
TOTAL DEFERRED CREDITS	716,171,897	695,998,749	756,602,968	669,533,864	578,078,297
OPERATING RESERVES	11,002,198	7,783,831	12,577,577	12,511,481	10,495,549
ACCUMULATED DEFERRED INCOME TAXES	2,474,885,399	2,219,948,759	2,134,693,893	1,849,360,120	1,581,104,219
TOTAL LIABILITIES AND OTHER CREDITS	$ 15,792,528,105	$ 14,918,945,681	$ 14,673,866,406	$ 14,074,892,132	$ 13,211,544,364
SELECTED BALANCE SHEET RELATIONSHIPS					
TELEPHONE PLANT PER DOLLAR OF REVENUE	1.88	1.90	2.14	2.14	2.24
CURRENT ASSETS/CURRENT LIABILITIES	0.96	1.06	1.17	0.97	1.02
PERCENT OF CAPITALIZATION					
LONG-TERM DEBT	42.0	43.0	43.1	41.1	42.5
PREFERRED STOCK	0.3	0.3	0.3	0.3	0.3
COMMON STOCK+OTHER PAID-IN CAPITAL	40.8	41.0	44.5	46.2	45.2
RETAINED EARNINGS	16.8	15.5	12.0	12.2	11.8
LONG-TERM DEBT					
PERCENT OF GROSS TELEPHONE PLANT	24.5	26.3	27.5	26.3	28.2
PERCENT OF NET TELEPHONE PLANT	33.6	35.3	35.5	33.6	35.6
ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	27.0	25.5	22.5	21.5	20.6

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 14. COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981	
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 9,045,115,803	$ 8,652,689,113	$ 7,511,087,512	$ 7,129,052,445	$ 6,342,987,654	
OPERATION AND MAINTENANCE EXPENSE	5,220,885,344	5,030,038,340	3,961,088,762	3,893,464,465	3,336,109,230	
EXTRAORDINARY RETIREMENTS	5,637	5,637	5,637	6,849	7,091	
DEPRECIATION	998,260,681	901,559,197	907,020,826	832,558,182	792,393,989	
AMORTIZATION	170,345	170,345	170,345	170,345	170,345	
TAXES OTHER THAN INCOME TAXES-OPERATING	1,006,723,822	1,128,626,530	1,060,399,739	902,517,018	805,740,430	
INCOME TAXES-OPERATING	335,178,264	163,082,581	141,045,790	137,524,812	156,363,663	
OPERATING INCOME TAXES DEFERRED	418,293,822	407,425,737	378,259,679	338,546,195	269,710,016	
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	90,551,970-	74,382,545-	39,948,568-	24,265,308-	29,802,834-	
TOTAL OPERATING EXPENSES	7,888,965,948	7,556,525,825	6,408,022,211	6,080,522,558	5,330,691,931	
TOTAL TELEPHONE OPERATING INCOME	1,156,149,655	1,096,163,288	1,103,065,301	1,048,529,887	1,012,295,723	
OTHER INCOME						
DIVIDEND INCOME	14,050,029	9,339,433	8,834,714	9,161,133	13,310,844	
INTEREST INCOME	10,726,386	14,533,148	17,433,587	19,439,489	18,687,652	
ALLOWANCE FOR CONSTRUCTION FUNDS	51,752,460	46,099,914	41,543,226	44,276,331	29,768,094	
INCOME FROM SINKING AND OTHER FUNDS	65,968	60,818	58,223	45,739	45,739	
INCOME FROM MISC. PHYSICAL PROPERTY	203,820	2,140,774	723,725-	1,263,313-	732,860-	
MISCELLANEOUS INCOME	7,947,668	25,572,760	1,128,403	4,963,975	3,990,037	
TOTAL OTHER INCOME	84,746,331	97,746,848	68,274,429	76,623,354	65,069,308	
TOTAL INCOME	1,240,895,986	1,193,910,136	1,171,339,730	1,125,153,241	1,077,365,029	
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	1,672,151	3,383,314	2,552,255	3,172,983	908,476	
INCOME TAXES-NONOPERATING	1,294,730	12,450,434	445,811	2,174,220	3,660,610	
MISCELLANEOUS INCOME CHARGES	12,097,583	11,073,241	13,486,080	11,116,451	9,564,017	
TOTAL INCOME DEDUCTIONS	15,064,464	26,906,989	16,484,146	16,463,654	14,133,103	
INCOME BEFORE INTEREST CHARGES	1,225,831,522	1,167,003,147	1,154,855,584	1,108,689,587	1,063,231,926	
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	341,504,557	351,414,864	341,496,613	332,485,839	301,178,977	
AMORT. OF DEBT DISCOUNT AND EXPENSE	2,688,421	1,763,572	1,603,746	1,466,898	1,318,258	
AMORT. OF PREMIUM ON DEBT-CREDIT	108,474-	108,420-	108,583-	142,970-	172,012-	
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	
OTHER INTEREST EXPENSE	53,539,334	53,683,352	90,781,573	87,535,183	79,587,956	
TOTAL INTEREST CHARGES	397,623,838	406,753,368	433,773,349	421,344,949	381,913,178	
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	828,207,683	760,249,778	721,082,234	687,344,638	681,318,746	
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	2,672,173	3,937,268	1,637,797	2,782,921	4,905,374	
EXTRAORDINARY/DELAYED INCOME CHARGES	2,626,801-	7,843,580-	38,000,060-	393,747-	688,670-	
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	2,907,106-	11,476,639-	7,049,576-	1,164,017	2,115,441	
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	2,952,478	7,570,327	29,312,686-	1,225,157	2,101,263	
NET INCOME	$ 831,160,161	$ 767,820,105	$ 691,769,548	$ 688,569,795	$ 683,420,009	
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 1,568,645,225	$ 1,430,262,264	$ 1,231,236,105	$ 1,162,638,185	$ 1,026,331,619	
BALANCE TRANSFERRED FROM INCOME	831,160,161	767,820,105	691,769,548	688,569,796	683,420,012	
MISCELLANEOUS CREDITS	3,330	24,534	-	782,982	18,720	
MISCELLANEOUS DEBITS	4,335,603	11,696,100	81,251	1,723,261	396	
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	
DIVIDENDS DECLARED-PREFERRED STOCK	1,926,157	1,958,070	2,025,511	2,103,807	2,121,054	
-COMMON STOCK	669,001,632	615,908,230	663,775,076	612,162,990	545,010,702	
UNAPPROPRIATED RETAINED EARNINGS END OF YR	1,724,545,319	1,568,544,504	1,257,123,816	1,236,000,905	1,162,638,198	
APPROPRIATED RETAINED EARNINGS	-	-	-		-	
TOTAL RETAINED EARNINGS END OF YEAR	$ 1,724,545,319	$ 1,588,544,501	$ 1,257,123,816	$ 1,236,000,907	$ 1,162,638,198	
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	57.7	58.1	52.7	54.6	52.5	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	11.0	10.4	12.0	11.6	12.4	49
TOTAL INCOME TAXES-OPERATING	7.3	5.7	6.4	6.3	6.2	50
OTHER TAXES-OPERATING	11.1	13.0	14.1	12.6	12.7	51
TOTAL OPERATING EXPENSES	87.2	87.3	85.3	85.2	84.0	52
OPERATING INCOME	12.7	12.6	14.6	14.7	15.9	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.7	5.4	5.5	5.3	5.3	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	4.4	4.7	5.8	5.9	6.0	55
PRETAX INTEREST COVERAGE	4.7	4.1	3.8	3.7	3.8	56
NET INCOME-PERCENT OF OPERATING REVENUES	9.1	8.8	9.2	9.6	10.7	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	58
TIMES EARNED	431.5	392.1	341.5	327.3	322.2	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	7.3	7.1	8.8	8.5	8.5	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	80.6	80.4	96.2	89.1	79.9	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	14.2	13.1	11.6	11.9	12.5	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	11.5	10.5	11.2	10.6	10.0	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 15 STATEMENT OF CHANGES IN FINANCIAL POSITION
YEARS ENDED DECEMBER 31

ITEM	1985	1984	1983	1982	1981
FUNDS PROVIDED					
INTERNAL SOURCES					
INCOME BEFORE EXTRAORDINARY ITEMS	$ 828,222,334	$ 760,227,511	$ 721,028,008	$ 687,344,639	$ 681,312,990
NON-CASH CHARGES(CREDITS) TO INCOME					
DEPRECIATION AND AMORTIZATION	1,001,742,586	903,828,041	909,180,688	855,340,266	813,821,559
DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	281,102,490	291,356,466	328,385,967	333,673,882	262,647,657
INTEREST CAPITALIZED	51,755,432-	46,099,914-	41,535,850-	44,196,970-	29,768,092-
OTHER (NET)	3,864,388	2,807,941	1,875,668	419,109	26,200
TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	2,063,176,367	1,912,120,045	1,918,934,482	1,832,580,926	1,728,040,314
EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	2,967,572	7,634,438	29,258,460-	1,229,388	2,099,609
TOTAL FUNDS FROM INTERNAL SOURCES	2,066,143,939	1,919,754,483	1,889,676,022	1,833,810,314	1,730,139,923
LESS DIVIDENDS PREFERRED	1,926,159	1,958,069	2,025,511	2,103,807	2,121,053
COMMON	669,001,632	615,888,229	663,775,076	612,162,990	545,010,704
NET FUNDS FROM INTERNAL SOURCES	1,395,216,148	1,301,908,185	1,223,875,435	1,219,543,517	1,183,008,166
EXTERNAL SOURCES					
LONG TERM DEBT	65,833,131	63,680,792	391,838,157	95,196,332	447,523,185
PREFERRED STOCK	-	46,390	-	-	-
COMMON STOCK	29,352,886	56,000,692	11,016,179	210,427,229	185,355,734
NET INCREASE IN SHORT TERM DEBT	8,412,405	2,285,889	13,729,196	213,048,652	6,201,235
OTHER (NET)	60,134	43,640,345	15,275	879,910	2,890,908
TOTAL FUNDS FROM EXTERNAL SOURCES	103,658,556	165,654,108	416,598,807	519,552,123	641,971,062
OTHER SOURCES (NET)	312,502,911	288,905,590	109,930,350	23,354,722	26,660,426
TOTAL FUNDS PROVIDED	$ 1,811,383,695	$ 1,756,467,884	$ 1,750,404,592	$ 1,762,450,362	$ 1,851,639,654
FUNDS APPLIED					
CONSTRUCTION EXPENDITURES					
GROSS ADDITIONS					
TELEPHONE PLANT	$ 1,503,931,655	$ 1,370,235,698	$ 1,334,715,845	$ 1,443,367,914	$ 1,538,057,283
NON-UTILITY PLANT	371,385	48,632	116,203	95,406	165,580
OTHER	40,996	5,274-	44,334	21,590	-
TOTAL GROSS ADDITIONS	1,504,344,036	1,370,279,056	1,334,876,382	1,443,484,910	1,538,222,863
LESS INTEREST CAPITALIZED	51,755,432	46,099,914	41,535,850	44,196,970	29,768,092
TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,452,588,604	1,324,179,142	1,293,340,532	1,399,287,940	1,508,454,771
RETIREMENT OF DEBT AND SECURITIES					
LONG TERM DEBT	108,215,183	63,269,360	8,100,129	133,963,918	105,940,694
PREFERRED STOCK	366,400	482,200	1,801,676	545,200	76,450
REDEMPTION OF CAPITAL STOCK	42,724	18,450	18,400	200	20
NET DECREASE IN SHORT TERM DEBT	32,351,559	238,552,838	340,551,980	4,002,433	130,191,604
OTHER (NET)	248,191	575,592	35,600	1,319,988	1,760
TOTAL RETIREMENT OF DEBT AND SECURITIES	141,345,057	302,898,440	350,507,785	139,831,739	236,210,528
OTHER USES (NET)	217,450,035	129,390,301	106,556,275	223,330,683	106,974,355
TOTAL FUNDS APPLIED	$ 1,811,383,695	$ 1,756,467,883	$ 1,750,404,592	$ 1,762,450,362	$ 1,851,639,654

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 16. COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT.
YEARS ENDING DECEMBER 31

ITEM	1985	1984	1983	1982	1981
TELEPHONE OPERATING REVENUES					
OPERATING REVENUES					
LOCAL REVENUES	$ 4,298,076,362	$ 4,039,503,629	$ 4,287,209,447	$ 4,123,899,591	$ 3,623,748,128
ACCESS REVENUES	1,892,041,110				
TOLL REVENUES	2,351,270,368	2,581,343,474	3,071,808,603	2,861,056,534	2,588,783,331
MISCELLANEOUS REVENUES	554,560,600	2,115,665,700	241,969,614	213,901,232	190,536,550
UNCOLLECTIBLE REVENUES-DR	50,832,365	83,813,692	89,700,153	69,604,912	60,080,358
TOTAL TELEPHONE OPERATING REVENUE	$ 9,045,116,075	$ 8,652,689,112	$ 7,511,087,513	$ 7,129,052,445	$ 6,342,987,653
TELEPHONE ACCESS LINES IN SERVICE*	9,722,031	9,384,370	9,208,319	9,047,040	9,033,632
TELEPHONE OPERATING REVENUE RELATIONSHIPS					
REVENUE PER AVERAGE ACCESS LINE**					
LOCAL REVENUE	$ 449 91	$ 434 53	$ 469 69	$ 456 14	$ 404 73
ACCESS REVENUE	198 05				
TOLL REVENUE	246 12	277 67	336 52	316 48	289 14
TELEPHONE OPERATION AND MAINTENANCE EXPENSES					
OPERATION AND MAINTENANCE EXPENSES					
MAINTENANCE EXPENSES	$ 1,843,559,852	$ 1,619,705,380	$ 1,753,384,082	$ 1,643,469,312	$ 1,337,563,732
DEPRECIATION + AMORTIZATION EXPENSES	998,436,664	901,735,179	907,196,808	832,735,376	792,571,425
TRAFFIC EXPENSES	299,624,229	295,726,113	296,083,796	315,863,956	297,295,573
COMMERCIAL EXPENSES	777,209,492	820,054,884	696,165,580	743,137,187	645,737,716
ACCESS EXPENSES	971,259,303	-	-	-	-
GENERAL OFFICE SALARIES AND EXPENSES	546,147,050	504,552,074	474,780,890	426,908,962	385,584,314
OTHER OPERATING EXPENSES	983,076,715	1,789,998,326	740,858,364	764,275,627	669,913,320
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 6,219,313,305	$ 5,931,771,959	$ 4,868,269,521	$ 4,726,190,423	$ 4,128,666,081
TELEPHONE UTILITY PLANT					
TELEPHONE UTILITY PLANT					
PLANT IN SERVICE	$ 16,953,981,244	$ 15,960,857,988	$ 15,951,712,237	$ 15,227,327,042	$ 14,279,143,000
PLANT UNDER CONSTRUCTION	558,733,204	542,903,774	430,247,775	461,558,918	476,205,129
PROPERTY HELD FOR FUTURE USE	841,422	2,407,430	1,099,015	565,156	832,478
PLANT ACQUISITION ADJUSTMENTS	1,073,243	1,211,172	1,410,807	1,580,852	1,787,970
PLANT ADJUSTMENTS	817,263	833,691	839,168	873,481	847,643
TOTAL TELEPHONE UTILITY PLANT	17,515,426,376	16,508,214,055	16,385,309,003	15,691,905,449	14,758,816,220
ACCUMULATED PROVISION FOR DEPR+AMORT	4,732,890,160	4,210,723,184	3,686,943,019	3,384,047,252	3,042,626,860
NET TELEPHONE PLANT	$ 12,782,536,216	$ 12,297,490,870	$ 12,698,365,983	$ 12,307,858,197	$ 11,716,189,359
PLANT IN SERVICE BEGINNING OF YEAR	$ 15,960,857,992	$ 14,996,155,885	$ 15,218,136,893	$ 14,279,142,999	$ 13,317,739,459
ADDITIONS	1,492,072,993	1,243,798,790	1,365,766,770	1,455,793,370	1,407,074,663
RETIREMENTS	495,729,358	341,461,724	632,247,821	507,479,590	445,390,455
TRANSFERS AND ADJUSTMENTS	3,240,381-	62,365,038	56,394	129,738-	280,666-
PLANT IN SERVICE END OF YEAR	$ 16,953,961,246	$ 15,960,857,989	$ 15,951,712,236	$ 15,227,327,042	$ 14,279,143,000

*BALANCE AT END OF YEAR
**YEAR END AVERAGE

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MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 17 DISTRIBUTION OF TELEPHONE REVENUES
YEARS ENDED DECEMBER 31

ITEM	1985	1984	1983	1982	1981
REVENUES	$ 9,045,115,603	$ 8,652,689,113	$ 7,511,087,512	$ 7,129,052,445	$ 6,342,987,654
ACCESS LINES (AVERAGE*)	9,553,201	9,298,345	9,127,680	9,040,338	8,953,499
DOLLAR AMOUNTS					
WAGES AND BENEFITS	$ 2,244,098,416	$ 2,496,862,130	$ 2,787,463,428	$ 2,724,418,531	$ 2,357,190,759
OTHER OPERATION AND MAINTENANCE EXPENSES	2,976,786,931	2,533,176,210	1,173,605,333	1,169,045,931	978,918,471
DEPRECIATION AND AMORTIZATION EXPENSES	998,431,027	901,729,542	907,191,171	832,728,527	792,564,334
EXTRAORDINARY RETIREMENTS	5,637	5,637	5,637	6,849	7,081
INCOME TAXES - OPERATING	662,920,116	496,125,773	479,356,901	451,805,699	396,270,845
OTHER TAXES - OPERATING	1,006,723,822	1,128,626,530	1,060,399,739	902,517,018	805,740,430
INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	380,835,720	391,170,141	419,764,225	406,097,764	372,440,972
PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1,873,493	1,922,687	1,987,630	2,058,511	2,085,987
EARNINGS AVAILABLE FOR COMMON EQUITY	773,340,442	703,070,460	681,313,446	640,373,612	637,768,764
TOTAL	$ 9,045,115,603	$ 8,852,889,113	$ 7,511,087,512	$ 7,129,052,445	$ 6,342,987,654
PERCENT OF REVENUES					
WAGES AND BENEFITS	24.8	28.9	37.1	38.2	37.2
OTHER OPERATION AND MAINTENANCE EXPENSES	32.9	29.3	15.6	16.4	15.4
DEPRECIATION AND AMORTIZATION EXPENSES	11.0	10.4	12.1	11.7	12.5
EXTRAORDINARY RETIREMENTS	-	-	-	-	-
INCOME TAXES - OPERATING	7.3	5.7	6.4	6.3	6.2
OTHER TAXES - OPERATING	11.1	13.0	14.1	12.7	12.7
INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.2	4.5	5.6	5.7	5.9
PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
EARNINGS AVAILABLE FOR COMMON EQUITY	8.5	8.1	9.1	9.0	10.1
TOTAL	100.0	100.0	100.0	100.0	100.0
DOLLARS PER AVERAGE ACCESS LINE PER MONTH					
WAGES AND BENEFITS	$ 19.58	$ 22.38	$ 25.45	$ 25.11	$ 21.94
OTHER OPERATION AND MAINTENANCE EXPENSES	25.97	22.71	10.71	10.78	9.11
DEPRECIATION AND AMORTIZATION EXPENSES	8.71	8.08	8.28	7.68	7.38
EXTRAORDINARY RETIREMENTS	-	-	-	-	-
INCOME TAXES - OPERATING	5.78	4.45	4.38	4.16	3.69
OTHER TAXES - OPERATING	8.78	10.12	9.68	8.32	7.50
INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.32	3.51	3.83	3.74	3.47
PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.02	0.02	0.02	0.02	0.02
EARNINGS AVAILABLE FOR COMMON EQUITY	6.75	6.30	6.22	5.90	5.94
TOTAL	$ 78.90	$ 77.56	$ 68.57	$ 65.72	$ 59.04

* YEAR END AVERAGE

Water Companies

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 18 COMPARATIVE BALANCE SHEET STATEMENTS YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981
ASSETS AND OTHER DEBITS					
WATER PLANT	$ 306,493,336	$ 289,796,120	$ 271,013,112	$ 257,877,119	$ 247,664,477
ACCUMULATED PROVISION FOR DEPRE+AMORT	73,534,469	69,799,893	66,609,110	63,563,097	60,415,017
NET WATER PLANT	232,958,888	219,996,225	204,404,001	194,314,021	187,249,460
OTHER PHYSICAL PROPERTY	314,608	314,648	314,688	314,728	315,091
INVESTMENTS IN ASSOCIATED COMPANIES	21,213,384	19,962,989	18,938,024	19,156,591	18,585,384
OTHER INVESTMENTS AND FUNDS	9,132	4,786	7,939	-	1,303
TOTAL INVESTMENT AND FUND ACCOUNTS	21,537,124	20,282,423	19,260,651	19,471,319	18,901,778
CASH AND WORKING FUNDS	5,925,953	6,313,890	1,666,191	2,037,258	2,222,156
SPECIAL DEPOSITS	5,374,897	2,855,389	60,710	181,023	172,600
TEMPORARY CASH INVESTMENTS	100	400,100	100	100	100
NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	13,648,613	14,783,554	14,059,407	12,319,439	10,590,238
RECEIVABLES FROM ASSOCIATED COMPANIES	2,861,445	2,625,088	4,535,941	2,752,586	1,493,700
MATERIALS AND SUPPLIES	2,664,121	2,384,637	2,185,014	1,992,097	2,063,111
PREPAYMENTS	3,790,107	3,116,129	3,126,819	2,819,546	2,521,184
OTHER CURRENT AND ACCRUED ASSETS	6,457,770	5,946,240	5,411,491	5,134,980	4,739,780
TOTAL CURRENT AND ACCRUED ASSETS	40,723,014	38,425,021	31,045,669	27,237,029	24,742,277
UNAMORTIZED DEBT EXPENSE	2,424,389	2,575,467	2,263,110	1,982,026	951,921
EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
PRELIM SURVEY + INVESTIGATION CHARGES	85,611	131,603	26,691	21,593	64,518
CLEARING ACCOUNTS	66,141	37,919	31,302	30,855	6,263
ACCUMULATED DEFERRED INCOME TAXES	-	10,456	9,581	9,581	-
OTHER DEFERRED DEBITS	2,134,469	2,734,945	2,734,381	3,339,096	2,731,469
TOTAL DEFERRED DEBITS	4,710,610	5,490,390	5,065,066	5,383,152	3,743,063
TOTAL ASSETS AND OTHER DEBITS	$ 299,929,515	$ 284,194,073	$ 259,775,389	$ 246,405,522	$ 234,636,558
LIABILITIES AND OTHER CREDITS					
COMMON CAPITAL STOCK	$ 34,740,329	$ 34,740,329	$ 34,740,329	$ 33,784,709	$ 33,784,709
PREFERRED CAPITAL STOCK	11,586,820	12,137,710	12,458,600	12,783,890	12,916,980
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
PREMIUM ON CAPITAL STOCK	2,322,052	2,322,052	2,322,052	2,322,052	2,322,052
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
OTHER PAID-IN CAPITAL	12,913,462	12,913,462	11,462,008	11,648,912	11,456,485
CAPITAL STOCK EXPENSE	439,584-	440,366-	440,951-	479,810-	429,510-
RETAINED EARNINGS	86,886,671	79,345,033	69,494,937	60,831,906	54,242,834
REACQUIRED CAPITAL STOCK	-	-	-	1,287,742-	1,291,225-
TOTAL PROPRIETARY CAPITAL	148,009,750	141,018,221	130,036,975	119,603,917	113,002,428
BONDS (LESS BONDS REACQUIRED)	66,421,500	66,532,500	65,112,268	62,660,023	63,481,486
ADVANCES FROM ASSOCIATED COMPANIES	6,419,503	1,388,100	1,379,318	1,371,477	2,063,898
OTHER LONG TERM DEBT	21,331,224	19,015,100	13,425,516	10,682,888	11,166,108
NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	23,938-	24,918-	-	-	-
TOTAL LONG TERM DEBT	94,148,290	86,910,783	79,917,102	74,714,388	76,711,492
NOTES AND ACCOUNTS PAYABLE	7,862,543	8,361,933	9,462,341	11,670,561	13,038,976
PAYABLES TO ASSOCIATED COMPANIES	4,639,032	11,978,588	11,440,650	13,098,179	6,236,019
CUSTOMERS' DEPOSITS	1,038,134	984,493	957,555	938,300	982,323
TAXES ACCRUED	7,174,958	2,898,785	2,677,453	3,223,849	4,840,520
OTHER CURRENT AND ACCRUED LIABILITIES	8,554,659	7,949,943	6,323,775	6,199,197	4,662,222
TOTAL CURRENT AND ACCRUED LIABILITIES	29,269,329	32,153,744	30,861,777	35,130,087	29,428,677
CUSTOMER ADVANCES FOR CONSTRUCTION	9,301,816	7,616,273	6,452,407	6,093,917	6,099,198
ACCUM. DEFERRED INVESTMENT TAX CREDITS	7,022,107	5,411,777	3,469,187	2,258,980	1,008,906
OTHER DEFERRED CREDITS	4,068,309	4,392,538	3,595,103	3,738,530	3,513,218
ACCUMULATED DEFERRED INCOME TAXES					
ACCELERATED AMORTIZATION	250,761	256,914	265,914	274,914	283,914
LIBERALIZED DEPRECIATION	5,552,080	3,938,976	2,640,084	1,731,034	1,170,062
OTHER	890,990	1,085,965	853,278	967,825	668,411
TOTAL DEFERRED CREDITS	27,086,062	22,702,443	17,276,974	15,126,181	12,743,797
OPERATING RESERVES	1,416,078	1,408,878	1,653,559	1,761,949	2,752,165
TOTAL LIABILITIES AND OTHER CREDITS	$ 299,929,515	$ 284,194,073	$ 259,775,389	$ 246,405,522	$ 234,636,558

SELECTED BALANCE SHEET RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981
WATER PLANT PER DOLLAR OF REVENUE	2.33	2.28	2.33	2.34	2.85
CURRENT ASSETS / CURRENT LIABILITIES	1.39	1.20	1.01	0.78	0.84
PERCENT OF CAPITALIZATION					
LONG-TERM DEBT	38.8	38.1	38.0	38.4	40.4
PREFERRED STOCK	4.7	5.3	5.9	6.5	6.8
COMMON STOCK + OTHER PAID-IN CAPITAL	20.4	21.7	22.8	23.6	24.1
RETAINED EARNINGS	35.8	34.8	33.0	31.7	28.5
LONG-TERM DEBT					
PERCENT OF GROSS WATER PLANT	30.7	29.9	29.4	28.9	30.9
PERCENT OF NET WATER PLANT	40.4	39.5	39.0	38.4	40.9
ACCUMULATED PROVISION FOR DEPRE.+AMORT					
PERCENT OF WATER PLANT	23.9	24.0	24.5	24.6	24.3

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 19. COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT					
WATER OPERATING INCOME					
OPERATING REVENUES	$ 127,991,831 $	123,083,099 $	113,491,626 $	103,620,715 $	85,512,540
OPERATION AND MAINTENANCE EXPENSES	55,436,787	52,096,932	48,030,241	44,747,381	39,936,162
DEPRECIATION	4,964,201	4,375,316	4,105,125	3,896,356	3,775,289
AMORTIZATION	25,091	25,826	21,813	10,738	6,135
TAXES OTHER THAN INCOME TAXES	33,330,893	33,247,335	31,470,911	27,089,720	24,578,523
INCOME TAXES	8,958,836	8,604,647	6,726,667	6,556,618	968,329
GAINS FROM DISP. OF UTILITY PLANT					
LOSSES FROM DISP. OF UTILITY PLANT					
TOTAL OPERATING EXPENSES	102,715,812	98,350,058	90,354,840	82,293,816	69,264,437
NET OPERATING REVENUES	25,276,018	24,733,039	23,136,784	21,326,898	16,248,103
INCOME FROM PLANT LEASED TO OTHERS	-	400	4,725	4,059	-
TOTAL WATER OPERATING INCOME	25,276,018	24,733,439	23,141,509	21,330,957	16,248,103
OTHER INCOME					
INCOME FROM MDSE. JOBBING+CONTRACT WORK	81,881	1,541	23,427	43,864	22,598
INCOME FROM NONUTILITY OPERATIONS	810,009-	677,081-	670,853-	1,494,154-	384,481-
NONOPERATING RENTAL INCOME	54,544	51,887	49,834	68,500	
INTEREST AND DIVIDEND INCOME	340,071	507,140	98,062	122,419	189,112
ALLOWANCE FOR CONSTRUCTION FUNDS	631,203	872,958	377,613	242,891	228,597
MISCELLANEOUS NONOPERATING INCOME	1,494,417	1,534,877	1,519,767	1,582,787	1,809,297
GAIN ON DISPOSITION OF PROPERTY	190	253	1,616	125	
TOTAL OTHER INCOME	1,792,299	2,291,575	1,399,456	564,432	1,865,125
TOTAL INCOME	27,068,317	27,025,014	24,540,965	21,895,389	18,113,228
OTHER INCOME DEDUCTIONS					
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	1,613
MISCELLANEOUS AMORTIZATION	54,817	10,545	10,141	9,757	-
MISCELLANEOUS DEDUCTIONS	24,334	81,352	174,644	49,683	74,604
TAXES OTHER THAN INC TAXES-NONOPERATING	21,212	19,450	41,892	48,788	50,436
INCOME TAXES-NONOPERATING	344,933	78,288-	173,101-	1,874-	189,017-
TOTAL OTHER INCOME DEDUCTIONS	445,296	33,059	53,576	100,354	112,365-
INCOME BEFORE INTEREST CHARGES	26,623,021	26,991,955	24,487,389	21,795,035	18,225,593
INTEREST CHARGES					
INTEREST ON LONG-TERM DEBT	8,547,489	7,240,928	6,986,543	6,710,126	6,331,537
AMORT OF DEBT DISCOUNT EXPENSE	246,107	229,952	229,387	163,327	149,053
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-
INTEREST ON DEBT TO ASSOCIATED COMPANIES	2,282,101	2,503,688	2,147,497	1,759,921	1,800,071
OTHER INTEREST CHARGES	162,958	650,993	879,612	1,886,353	2,520,184
TOTAL INTEREST CHARGES	11,238,253	10,625,567	10,243,041	10,519,728	10,800,848
EXTRAORDINARY ITEMS					
EXTRAORDINARY INCOME	-	1,560	-	711,264	58,349
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-
INCOME TAXES EXTRAORDINARY ITEMS	-	-	-	-	16,000
NET EXTRAORDINARY ITEMS	-	1,560	-	711,264	42,349
NET INCOME	$ 15,384,769 $	16,367,954 $	14,244,349 $	11,986,572 $	7,467,094
RETAINED EARNINGS					
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 79,345,033 $	69,494,937 $	60,855,388 $	54,743,835 $	50,838,263
BALANCE TRANSFERRED FROM INCOME	15,384,769	16,367,955	14,244,349	11,986,572	7,467,094
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-
DIVIDENDS DECLARED-PREFERRED STOCK	1,111,955	1,175,141	1,123,535	1,122,638	866,387
-COMMON STOCK	6,735,595	5,339,562	4,300,740	4,283,402	3,514,384
ADJUSTMENTS TO RETAINED EARNINGS	4,418	3,156-	161,326	31,024	319,227
UNAPPROPRIATED RETAINED EARNINGS END OF YR	86,886,671	79,345,033	69,494,937	60,855,392	54,243,833
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-
TOTAL RETAINED EARNINGS, END OF YEAR	$ 86,886,671 $	79,345,033 $	69,494,937 $	60,855,392 $	54,243,833
SELECTED INCOME ACCOUNT RELATIONSHIPS					
PERCENT OF WATER OPERATING REVENUES					
OPERATION AND MAINTENANCE EXPENSES	43.3	42.3	42.3	43.1	46.7
DEPRECIATION AND AMORTIZATION	3.8	3.5	3.6	3.7	4.4
INCOME TAXES	6.9	6.9	5.9	6.3	1.1
OTHER TAXES	26.0	27.0	27.7	26.1	28.7
TOTAL OPERATING EXPENSES	80.2	79.9	79.6	79.4	80.9
OPERATING INCOME	19.7	20.0	20.3	20.5	19.0
DEPRECIATION + AMORT % OF WATER PLANT	1.6	1.5	1.5	1.5	1.5
INTEREST EXPENSE					
PERCENT OF OPERATING REVENUES	8.8	8.6	9.0	10.2	12.6
PRETAX INTEREST COVERAGE	3.2	3.3	3.0	2.7	1.8
NET INCOME - % OF OPERATING REVENUES	12.0	13.2	12.5	11.5	8.7
DIVIDEND APPROPRIATIONS, PREFERRED STOCK					
PERCENT OF OPERATING REVENUES	0.8	0.9	0.9	1.0	1.0
TIMES EARNED	13.8	13.9	12.7	10.7	8.6
DIVIDEND APPROPRIATIONS,COMMON STOCK					
PERCENT OF OPERATING REVENUES	5.2	4.3	3.7	4.1	4.1
PERCENT OF EARNINGS AVAILABLE FOR COMMON	47.1	35.1	32.7	39.4	53.2
PERCENT OF AVERAGE COMMON EQUITY					
EARNINGS AVAILABLE FOR COMMON EQUITY	10.7	12.3	11.6	10.4	8.7
DIVIDEND APPROPRIATIONS, COMMON STOCK	5.0	4.3	3.8	4.1	3.5

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 20. STATEMENT OF CHANGES IN FINANCIAL POSITION
YEARS ENDED DECEMBER 31

ITEM		1985		1984		1983		1982		1981
FUNDS PROVIDED										
INTERNAL SOURCES										
INCOME BEFORE EXTRAORDINARY ITEMS	$	15,384,760	$	16,386,398	$	14,244,349	$	11,289,941	$	7,467,094
NON CASH CHARGES(CREDITS) TO INCOME										
DEPRECIATION, DEPLETION AND AMORTIZATION		6,655,396		5,471,043		5,481,468		4,866,963		4,652,776
DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)		2,992,091		3,288,931		1,803,713		2,533,222		652,895
INTEREST CAPITALIZED		628,730-		872,958-		377,613-		241,881-		228,597-
OTHER (NET)		299,100		918,660		266,833		159,195		624,931
TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS		24,702,629		25,112,071		21,398,753		18,607,442		13,179,103
EXTRAORDINARY ITEMS NET OF INCOME TAXES		-		1,560		169,052-				-
TOTAL FUNDS FROM INTERNAL SOURCES		24,702,629		25,113,631		21,229,701		18,607,442		13,179,103
LESS DIVIDENDS: PREFERRED		1,111,965		1,176,141		1,144,429		1,122,638		866,367
COMMON		6,735,595		5,339,562		4,279,346		4,283,402		2,514,385
NET FUNDS FROM INTERNAL SOURCES		16,855,069		18,658,928		15,805,926		13,201,402		9,798,351
EXTERNAL SOURCES										
LONG TERM DEBT		9,305,877		6,225,000		591,958		6,957,251		2,021,500
PREFERRED STOCK		-		-		1,000,000		-		1,750,000
COMMON STOCK				-		1,015,917		19,728		43,219
NET INCREASE IN SHORT TERM DEBT		109,550		7,255,431		5,562,744		950,000		5,476,587
OTHER (NET)		914,109		2,973,379		3,501,481		9,230,294		546,134
TOTAL FUNDS FROM EXTERNAL SOURCES		10,329,537		16,453,810		11,672,101		17,157,271		9,837,440
OTHER SOURCES (NET)		6,740,732		1,374,402		772,467		1,463,300		931,563
TOTAL FUNDS PROVIDED	$	33,925,349	$	36,487,141	$	28,250,494	$	31,821,974	$	19,567,354
FUNDS APPLIED										
CONSTRUCTION EXPENDITURES										
GROSS ADDITIONS										
WATER PLANT	$	18,302,478	$	20,198,808	$	14,450,608	$	11,102,926	$	8,797,495
NON-UTILITY PLANT		-		-		-		374		352
OTHER		-		-						
TOTAL GROSS ADDITIONS		18,302,478		20,198,808		14,450,608		11,103,300		8,797,847
LESS INTEREST CAPITALIZED		628,730		872,958		377,613		241,881		228,597
TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED		17,673,748		19,325,850		14,072,995		10,861,419		8,569,250
RETIREMENT OF DEBT AND SECURITIES										
LONG TERM DEBT		2,072,479		4,453,873		3,180,431		5,544,597		3,180,412
PREFERRED STOCK		550,890		350,890		350,490		132,090		132,090
REDEMPTION OF CAPITAL STOCK		-		-				-		-
NET DECREASE IN SHORT TERM DEBT		5,562,527		1,750,000		3,347,400		8,939,397		500,000
OTHER (NET)		2,684,613		2,922,639		857,949		1,425,987		80,097
TOTAL RETIREMENT OF DEBT AND SECURITIES		10,870,509		9,477,402		7,736,270		16,042,071		3,892,679
OTHER USES (NET)		5,381,092		7,683,889		6,441,229		4,918,483		7,106,424
TOTAL FUNDS APPLIED	$	33,925,349	$	36,487,141	$	28,250,494	$	31,821,974	$	19,567,354

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 21. COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

ITEM	1985	1984	1983	1982	198
WATER OPERATING REVENUES					
REVENUES					
METERED SALES TO GENERAL CUSTOMERS	$ 101,161,454	$ 93,881,372	$ 83,547,934	$ 73,796,948	$ 60,485,330
UNMETERED SALES TO GENERAL CUSTOMERS	11,073,915	14,571,507	16,690,110	17,199,762	14,676,800
SALES TO OTHER WATER COMPANIES	159,186	157,088	129,856	120,948	111,351
OTHER SALES OF WATER	14,679,295	13,605,459	12,364,382	11,813,813	9,636,258
TOTAL REVENUES FROM SALES OF WATER	127,073,853	122,215,428	112,732,285	102,930,473	84,909,739
OTHER WATER OPERATING REVENUES	917,979	867,671	759,341	690,152	602,801
TOTAL WATER OPERATING REVENUES	$ 127,991,837	$ 123,083,099	$ 113,491,626	$ 103,620,625	$ 85,512,540
WATER SALES(T GALLONS)					
METERED SALES TO GENERAL CUSTOMERS	46,458,818	44,969,103	42,613,928	39,788,957	40,674,000
UNMETERED SALES TO GENERAL CUSTOMERS	7,858,125	11,313,060	15,427,366	17,783,168	16,805,163
SALES TO OTHER WATER COMPANIES	148,064	151,142	129,085	130,607	136,884
OTHER SALES OF WATER	195,330	190,864	206,888	195,142	175,771
TOTAL SALES OF WATER	54,660,337	56,624,169	58,377,267	57,897,874	57,791,819
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)					
METERED SALES TO GENERAL CUSTOMERS	309,101	283,231	263,713	256,970	254,734
UNMETERED SALES TO GENERAL CUSTOMERS	39,840	62,774	80,682	86,174	87,666
SALES TO OTHER WATER COMPANIES	5	4	4	4	3
OTHER SALES OF WATER	3,154	2,906	3,195	3,123	2,709
TOTAL CUSTOMERS	352,100	348,915	347,594	346,271	345,112
WATER OPERATING REVENUE RELATIONSHIPS					
METERED GENERAL CUSTOMERS					
AVG. ANNUAL BILL PER CUSTOMER	$ 327.27	$ 331.46	$ 318.81	$ 287.11	$ 237.44
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	150.30	158.77	161.59	154.83	159.67
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	217.74	208.77	196.06	185.47	148.71
UNMETERED GENERAL CUSTOMERS					
AVG. ANNUAL BILL PER CUSTOMER	$ 277.95	$ 232.12	$ 206.86	$ 193.59	$ 167.41
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	197.24	180.21	191.21	206.36	191.69
AVG. REVENUE PER T. GALLONS SOLD(CENTS)	140.92	128.80	108.19	96.72	87.34
WATER OPERATION AND MAINTENANCE EXPENSES					
SOURCE OF SUPPLY EXPENSES	$ 3,356,605	$ 3,613,419	$ 3,522,636	$ 3,003,863	$ 2,849,000
POWER AND PUMPING EXPENSES	13,826,931	14,056,529	13,932,254	13,161,931	12,4[illegible],858
PURIFICATION EXPENSES	3,703,413	3,360,236	3,199,043	3,116,072	2,5[illegible],509
TRANSMISSION AND DISTRIBUTION EXPENSES	11,743,015	10,230,291	8,880,168	7,917,519	6,860,568
CUSTOMERS ACCT'G+COLLECTING EXPENSES	7,827,773	6,416,707	5,833,763	5,478,038	4,901,872
ADMINISTRATIVE+GENERAL EXPENSES	14,979,047	14,419,747	12,682,370	12,062,954	10,328,350
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 55,436,788	$ 52,096,934	$ 48,030,241	$ 44,740,381	$ 39,936,162
WATER UTILITY PLANT					
WATER UTILITY PLANT					
PLANT IN SERVICE	$ 298,294,625	$ 281,841,716	$ 262,085,890	$ 250,337,907	$ 242,192,156
PLANT LEASED TO OTHERS	7,004	-	-	-	-
CONSTRUCTION WORK IN PROGRESS	6,969,426	6,477,216	7,440,502	6,338,556	3,[illegible]61,980
PLANT HELD FOR FUTURE USE	220,176	239,512	239,286	238,221	229,221
PLANT ACQUISITION ADJUSTMENTS	1,493,965	1,547,996	1,557,755	1,567,810	1,877,287
OTHER PLANT ADJUSTMENTS	-	-	-	-	-
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	491,861-	310,321-	310,321-	305,071-	306,128-
TOTAL WATER UTILITY PLANT	306,493,336	289,796,119	271,013,112	257,877,119	247,664,476
ACCUM PROV FOR DEPR., AMORT., DEPLETION	73,534,469	69,799,892	66,609,110	63,563,098	60,415,016
NET WATER UTILITY PLANT	$ 232,958,866	$ 219,996,225	$ 204,404,002	$ 194,314,021	$ 187,249,460
PLANT IN SERVICE BEGINNING OF YEAR	$ 281,841,714	$ 262,085,891	$ 250,337,902	$ 242,192,156	$ 234,601,847
ADDITIONS	18,818,050	21,303,967	13,147,865	9,393,390	8,610,784
RETIREMENTS	1,281,775	1,192,037	1,164,365	881,424	919,149
TRANSFERS AND ADJUSTMENTS	1,083,367-	356,105-	235,511-	366,221-	101,326-
PLANT IN SERVICE END OF YEAR	$ 298,294,624	$ 281,841,716	$ 262,085,891	$ 250,337,902	$ 242,192,156

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 22 DISTRIBUTION OF WATER REVENUES
YEARS ENDED DECEMBER 31

ITEM	1985	1984	1983	1982	1981
REVENUES	$ 127,991,831	$ 123,083,099	$ 113,491,626	$ 103,620,715	$ 85,512,541
SALES (THOUSAND GALLONS)	54,660,337	56,624,169	58,377,267	57,897,874	57,791,819
DOLLAR AMOUNTS					
WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 12,674,471	$ 13,853,849	$ 14,069,405	$ 13,512,576	$ 12,660,593
WAGES AND BENEFITS	21,749,076	20,025,712	18,102,306	12,563,472	13,708,467
OTHER OPERATION AND MAINTENANCE EXPENSES	21,013,241	18,216,973	15,853,805	18,660,274	13,567,102
DEPRECIATION AND AMORTIZATION EXPENSES	4,989,292	4,401,141	4,126,958	3,907,094	3,781,424
INCOME TAXES - OPERATING	8,958,836	8,604,647	6,726,667	6,556,618	968,329
OTHER TAXES - OPERATING	33,330,893	33,247,335	31,470,971	27,089,720	24,578,573
INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	10,962,541	10,195,527	10,073,768	10,427,374	10,627,806
PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1,081,424	1,120,185	1,087,668	1,092,080	829,061
EARNINGS AVAILABLE FOR COMMON EQUITY	13,232,053	13,417,727	11,980,073	9,811,503	4,791,236
TOTAL	$ 127,991,831	$ 123,083,099	$ 113,491,626	$ 103,620,715	$ 85,512,541
PERCENT OF REVENUES					
WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	9.9	11.3	12.4	13.0	14.8
WAGES AND BENEFITS	17.0	16.3	16.0	12.1	16.0
OTHER OPERATION AND MAINTENANCE EXPENSES	16.4	14.8	14.0	18.0	15.9
DEPRECIATION AND AMORTIZATION EXPENSES	3.9	3.6	3.6	3.8	4.4
INCOME TAXES - OPERATING	7.0	7.0	5.9	6.3	1.1
OTHER TAXES - OPERATING	26.0	27.0	27.7	26.1	28.7
INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8.6	8.3	8.9	10.1	12.4
PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.8	0.9	1.0	1.1	1.0
EARNINGS AVAILABLE FOR COMMON EQUITY	10.3	10.9	10.6	9.5	5.6
TOTAL	100.0	100.0	100.0	100.0	100.0
CENTS PER THOUSAND GALLONS SOLD					
WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	23.19	24.47	24.10	23.34	21.91
WAGES AND BENEFITS	39.79	35.37	31.01	21.70	23.72
OTHER OPERATION AND MAINTENANCE EXPENSES	38.44	32.17	27.16	32.23	23.48
DEPRECIATION AND AMORTIZATION EXPENSES	9.13	7.77	7.07	6.75	6.54
INCOME TAXES - OPERATING	16.39	15.20	11.52	11.32	1.68
OTHER TAXES - OPERATING	60.98	58.72	53.91	46.79	42.53
INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	20.06	18.01	17.26	18.01	18.39
PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1.98	1.98	1.86	1.89	1.43
EARNINGS AVAILABLE FOR COMMON EQUITY	24.21	23.70	20.52	16.95	8.29
TOTAL	234.16	217.37	194.41	178.97	147.97

SECTION I.

ELECTRIC SERVICE COMPANIES

Balance Sheets
Income Statements
Statements of Changes in Financial Position
Statements of Revenue, Plant, and Operation and Maintenance
Distribution of Electric Revenues

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE BALANCE SHEETS, YEARS ENDED DECEMBER 31

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 944,031,368	$ 826,121,066	$ 723,788,736	$ 654,915,091	$ 597,163,182
2	ACCUM. PROVISION FOR DEPR. AND AMORT.	202,685,118	190,723,311	178,216,917	166,916,145	152,555,118
3	NET ELECTRIC UTILITY PLANT	741,346,250	635,397,755	545,571,819	487,998,946	444,608,064
4	OTHER UTILITY PLANT	109,736,366	102,669,687	97,001,773	92,198,364	87,602,260
5	ACCUM. PROVISION FOR DEPR. AND AMORT.	38,193,088	34,560,331	31,808,244	29,216,507	26,712,677
6	NET OTHER UTILITY PLANT	71,543,278	68,109,356	65,193,529	62,981,857	60,889,583
7	TOTAL UTILITY PLANT	1,053,767,734	928,790,953	820,790,509	747,113,455	684,765,442
8	ACCUM. PROVISION FOR DEPR. AND AMORT	240,878,206	225,283,842	210,025,161	196,132,652	179,267,795
9	NET TOTAL UTILITY PLANT	812,889,528	703,507,111	610,765,348	550,980,803	505,497,647
10	NONUTILITY PROPERTY LESS ACCUM. PROVISION FOR DEPRECIATION AND AMORTIZATION	1,409,005	565,496	565,496	565,496	549,495
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	2,153,523	2,608,723	1,606,101	1,532,862	1,280,822
13	OTHER INVESTMENTS	39,159	27,406	11,345	10,200	10,200
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	3,601,687	3,201,625	2,182,942	2,108,558	1,840,517
16	CASH	1,462,371	1,047,021	1,125,575	1,641,613	2,648,086
17	SPECIAL DEPOSITS	53,391,410	7,627,592	2,818,988	6,082,827	14,145
18	WORKING FUNDS	190,784	217,384	450,705	490,837	310,343
19	TEMPORARY CASH INVESTMENTS	14,350,000	10,517,642	-	-	-
20	NOTES + ACCOUNTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	44,836,751	45,130,323	45,317,236	45,616,966	40,214,060
21	RECEIVABLES FROM ASSOCIATED COMPANIES	-	29,564	-	-	-
22	MATERIALS AND SUPPLIES	23,853,891	33,129,621	29,528,117	19,076,129	28,510,683
23	PREPAYMENTS	6,523,634	5,402,586	5,108,431	4,684,318	4,259,013
24	OTHER CURRENT AND ACCRUED ASSETS	11,883,033	10,182,921	9,936,138	9,109,213	8,225,767
25	TOTAL CURRENT AND ACCRUED ASSETS	156,490,874	113,284,663	94,280,189	86,911,903	82,182,096
26	UNAMORTIZED DEBT EXPENSE	5,674,162	4,289,477	3,228,624	3,304,654	2,493,209
27	EXTRAORDINARY PROPERTY LOSSES	15,451,877	18,666,001	20,815,721	22,270,245	-
28	PREL. SURVEY + INVESTIGATION CHARGES	79,601	74,199	2,249,169	1,139,179	848,512
29	CLEARING ACCOUNTS	320,958	306,438	506,949	507,669	264,721
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	627,381-	595,546-	139,796-	26,501-	74,549-
32	ACCUMULATED DEFERRED INCOME TAXES	1,813,800	1,033,800	175,100	165,600	809,400
33	OTHER DEFERRED DEBITS	44,642,413	36,517,144	30,318,176	18,855,621	18,066,089
34	TOTAL DEFERRED DEBITS	67,355,450	59,280,513	57,151,984	46,216,467	22,407,382
35	TOTAL ASSETS AND OTHER DEBITS	$ 1,040,337,539	$ 879,273,902	$ 764,380,443	$ 686,217,731	$ 611,927,642
	LIABILITIES AND OTHER CREDITS					
36	COMMON STOCK ISSUED	$ 214,464,067	$ 184,615,765	$ 156,927,223	$ 130,999,924	$ 111,164,694
37	PREFERRED STOCK ISSUED	81,030,000	81,030,000	81,030,000	81,030,000	81,030,000
38	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
39	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
40	PREMIUM ON CAPITAL STOCK	66,780	66,780	66,780	66,780	66,780
41	OTHER PAID-IN CAPITAL	-	-	-	-	-
42	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
43	CAPITAL STOCK EXPENSE	4,302,983-	4,039,712-	3,839,759-	2,677,044-	2,479,926-
44	RETAINED EARNINGS	145,374,845	125,751,423	109,935,474	99,035,804	86,497,245
45	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	481,654	561,867	569,234	485,995	459,955
46	REACQUIRED CAPITAL STOCK	-	-	-	-	-
47	TOTAL PROPRIETARY CAPITAL	437,114,363	388,186,113	344,678,952	288,941,459	258,738,748
48	BONDS (LESS BONDS REACQUIRED)	332,400,000	312,400,000	278,400,000	278,400,000	239,500,000
49	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
50	OTHER LONG-TERM DEBT	112,675,000	40,600,000	7,375,000	7,550,000	7,725,000
51	NET UNAMORTIZED PREMIUM + DISCOUNT	537,038-	607,982-	678,926-	749,870-	820,814-
52	TOTAL LONG-TERM DEBT	444,537,962	352,392,018	285,096,074	285,200,130	246,404,186
53	NOTES PAYABLE	-	-	23,000,000	26,500,000	16,500,000
54	ACCOUNTS PAYABLE	22,258,926	28,849,501	23,079,904	14,991,513	26,668,458
55	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
56	CUSTOMER DEPOSITS	2,688,436	2,478,924	2,677,244	2,733,059	2,840,218
57	TAXES ACCRUED	5,018,646	9,194,519	3,896,425	6,248,716	6,073,163
58	INTEREST ACCRUED	8,884,918	7,321,709	6,533,494	6,626,069	5,865,453
59	DIVIDENDS DECLARED	10,456,918	9,430,666	8,123,914	6,562,556	5,654,316
60	TAX COLLECTIONS PAYABLE	652,195	892,560	665,697	916,742	902,907
61	OTHER CURRENT AND ACCRUED LIABILITIES	7,205,101	11,561,218	8,920,170	4,970,142	4,286,594
62	TOTAL CURRENT AND ACCRUED LIABILITIES	57,165,140	63,519,079	76,896,848	69,548,787	68,791,109
63	CUSTOMER ADVANCES FOR CONSTRUCTION	684,970	681,529	787,666	779,380	766,240
64	DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-
65	ACCUM. DEFERRED INVESTMENT TAX CREDITS	36,438,000	27,647,000	20,093,000	14,254,000	9,404,000
66	OTHER DEFERRED CREDITS	27,828,586	12,773,999	6,663,471	1,588,223	4,384,364
	ACCUMULATED DEFERRED INCOME TAXES,					
67	ACCELERATED AMORTIZATION	-	-	-	63,316	148,916
68	LIBERALIZED DEPRECIATION	19,774,600	16,597,700	13,666,200	10,946,100	9,193,800
69	OTHER	16,097,900	15,573,100	15,144,000	13,695,700	13,114,000
70	TOTAL DEFERRED CREDITS	99,832,036	73,273,328	56,354,337	41,326,699	37,011,320
71	PROPERTY INSURANCE RESERVE	-	166,925	104,200	-	-
72	INJURIES AND DAMAGE RESERVE	1,688,039	1,736,439	1,450,032	1,200,656	992,279
73	PENSION AND BENEFITS RESERVE	-	-	-	-	-
74	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
75	TOTAL OPERATING RESERVES	1,688,039	1,903,364	1,554,232	1,200,656	992,279
76	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,040,337,539	$ 879,273,902	$ 764,380,443	$ 686,217,731	$ 611,927,642

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
	COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS					
ELECTRIC UTILITY OPERATING INCOME						
OPERATING REVENUES $	436,652,041 $	454,860,477 $	411,769,559 $	364,159,963 $	308,392,176	1
OPERATION AND MAINTENANCE EXPENSE	282,368,978	317,825,417	290,372,455	287,234,917	311,068,589	2
DEPRECIATION EXPENSE	16,106,142	15,490,660	15,167,286	14,380,940	13,596,827	3
AMORTIZATION	5,148,886	3,983,183	3,508,346	489,587	77,136	4
TAXES OTHER THAN INCOME TAXES	35,668,834	33,753,886	30,412,789	26,701,404	25,273,418	5
INCOME TAXES	25,450,000	28,427,000	20,875,000	13,341,000	10,423,000	6
PROVISION FOR DEFERRED INCOME TAXES	13,696,100	6,654,100	7,839,200	5,495,200	5,557,500	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	4,737,400-	5,084,400-	4,501,416	3,000,200-	5,517,600-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	373,701,520	401,069,826	363,673,639	344,642,848	360,778,870	12
NET OPERATING REVENUES	62,950,521	53,790,651	48,095,920	39,517,136	37,613,306	13
INC. FROM LSD. PLT & OTHER OPER INC	-	-	-	-	-	14
ELECTRIC UTILITY OPERATING INCOME	62,950,521	53,790,651	48,095,920	39,517,136	37,613,306	15
OTHER UTILITY OPERATING INCOME	6,408,012	6,522,662	4,531,261	5,576,161	3,920,033	16
TOTAL UTILITY OPERATING INCOME	69,358,533	60,313,313	52,627,181	45,093,296	41,533,339	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	3,464-	67,201	9,871	3,193	43,331	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	188-	-	-	-	-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	80,203-	2,623	73,239	26,040	325,555	21
INTEREST AND DIVIDEND INCOME	739,952	643,807	180,670	936,608	2,491	22
ALLOWANCE FOR CONSTRUCTION FUNDS	26,432,772	21,921,590	16,428,513	14,761,877	13,915,717	23
MISCELLANEOUS NONOPERATING INCOME	762,778-	410,310	161,361-	188,986-	180,511-	24
GAIN ON DISPOSITION OF PROPERTY	720	-	41,157	8,033	-	25
TOTAL OTHER INCOME	26,326,811	23,045,531	16,572,089	15,548,765	14,106,583	26
TOTAL INCOME	95,685,344	83,358,844	69,199,270	60,640,061	55,639,922	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC TAXES-NONOPERATING	17,236	16,238	11,203	14,487	10,674	28
INCOME TAXES-NONOPERATING	6,570,300-	4,984,500-	4,605,000-	4,581,000-	2,748,000-	29
LOSS ON DISPOSITION OF PROPERTY	28,777	4,630	52,359	-	489,708	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	452,117	482,138	468,521	309,037	223,824	32
TOTAL INCOME DEDUCTIONS	6,072,171-	4,461,496-	4,072,917-	4,257,476-	2,023,796-	33
INCOME BEFORE INTEREST CHARGES	101,757,515	87,820,340	73,272,187	64,897,537	57,663,718	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	40,420,583	34,334,725	30,039,337	25,291,931	22,857,775	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	432,521	374,251	335,040	265,542	204,397	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	24,192-	24,192-	24,192-	24,192-	25,302-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	1,256,280	1,998,687	2,686,168	4,034,834	4,947,884	39
TOTAL INTEREST CHARGES	42,085,192	36,683,471	33,036,353	29,568,115	27,984,754	40
INCOME BEFORE EXTRAORDINARY ITEMS	59,672,323	51,136,869	40,235,834	35,329,422	29,678,964	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME $	59,672,323 $	51,136,869 $	40,235,834 $	35,329,422 $	29,678,964	46
UNAPPROPRIATED RETAINED EARNINGS BEG.OF YR $	126,751,423 $	109,935,474 $	99,035,804 $	88,497,245 $	80,020,747	47
BALANCE TRANSFERRED FROM INCOME	59,752,526	51,134,246	40,162,595	35,303,382	29,353,409	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	6,184,367	6,458,388	5,783,289	4,126,389	4,126,371	50
-COMMON STOCK	33,944,737	28,869,929	23,479,636	20,638,454	16,750,540	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	145,374,845	125,751,423	109,935,474	99,035,804	88,497,245	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	481,654	561,637	559,234	485,995	459,955	55
TOTAL RETAINED EARNINGS, END OF YEAR $	145,856,499 $	126,313,280 $	110,494,708 $	99,521,799 $	88,957,200	56
	SELECTED BALANCE SHEET RELATIONSHIPS					
ELEC. UTILITY PLANT/DOLLAR OF ELEC.REVENUE	2.03	1.70	1.67	1.63	1.44	57
OTHER UTILITY PLANT/DOLLAR OTHER REVENUE	1.56	1.46	1.53	1.46	1.82	58
TOTAL UTILITY PLANT/DOLLAR TOTAL REVENUE	1.96	1.67	1.65	1.61	1.48	59
CURRENT ASSETS / BY CURRENT LIABILITIES	2.74	1.78	1.23	1.25	1.19	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	50.4	47.5	45.2	49.6	48.7	61
PREFERRED STOCK	9.1	10.9	12.8	10.6	12.0	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	23.8	24.4	24.4	22.4	21.6	63
RETAINED EARNINGS	16.4	16.9	17.4	17.2	17.5	64
LONG-TERM DEBT % OF GROSS UTILITY PLANT	42.1	37.9	34.7	38.1	35.9	65
% OF NET UTILITY PLANT	54.6	50.0	46.6	51.7	48.7	66
ACCUM PROVISION FOR DEPR % OF UTILITY PLT	22.8	24.2	25.5	26.2	26.1	67
	SELECTED INCOME ACCOUNT RELATIONSHIPS					
ELECTRIC OPERATING REVENUES: % OF TOTAL OPERATING REVENUES	86.4	86.9	86.9	86.1	89.5	68
PERCENT OF ELECTRIC OPERATING REVENUES						
ELECTRIC OPERATION AND MAINTENANCE	64.6	69.8	70.5	74.7	78.0	69
ELECTRIC DEPRECIATION AND AMORTIZATION	4.8	4.2	4.5	3.8	3.5	70
TOTAL INCOME TAXES-ELECTRIC, OPERATING	7.8	6.5	5.8	4.1	2.6	71
OTHER TAXES-ELECTRIC, OPERATING	8.1	7.4	7.3	6.9	6.3	72
GAINS/LOSSES FROM DISP OF UTILITY PLANT	-	-	-	-	-	73
TOTAL ELECTRIC OPERATING EXPENSE /	85.5	88.1	88.3	89.7	90.5	74
ELECTRIC OPERATING INCOME	14.4	11.8	11.6	10.2	9.4	75
ELEC.DEPR.AND AMORT % OF ELEC. UTILITY PLT	2.2	2.3	2.5	2.2	2.3	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	8.3	7.0	7.0	6.6	6.3	77
PRETAX INTEREST COVERAGE	3.2	3.2	2.8	2.6	2.4	78
NET INCOME-PERCENT OF OPERATING REVENUES	11.8	9.7	8.4	7.9	6.6	79
DIVIDEND APPROPRIATIONS,PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	1.2	1.2	1.2	0.9	0.9	80
TIMES EARNED	9.6	7.9	7.0	8.6	7.2	81
DIVIDEND APPROPRIATIONS,COMMON STOCK:						
PERCENT OF OPERATING REVENUES	6.7	5.5	4.9	4.6	3.7	82
% OF EARNINGS AVAILABLE FOR COMMON	63.4	64.5	68.1	66.1	65.5	83
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	16.1	15.6	14.0	14.6	13.7	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	10.2	10.1	9.5	9.6	9.0	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 59,672,323	$ 51,136,869	$ 40,235,834	$ 35,329,422	$ 29,678,984
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	26,249,558	22,531,271	20,524,230	16,922,780	18,107,880
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	10,712,700	10,085,900	9,934,584	7,816,700	2,349,400
4	INTEREST CAPITALIZED	28,432,772-	21,921,590-	16,428,513-	14,761,877-	13,915,717-
5	OTHER (NET):	3,819,488	5,364,460	2,998,590	1,421,379	2,602,910
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	72,021,298	67,156,910	57,264,725	46,728,404	38,823,437
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	- -	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	72,021,298	67,156,910	57,264,725	46,728,404	38,823,437
10	LESS DIVIDENDS PREFERRED	6,184,367	6,458,368	5,783,289	4,128,369	4,128,371
11	COMMON	33,944,737	28,859,929	23,479,636	20,636,454	18,750,540
12	NET FUNDS FROM INTERNAL SOURCES	31,892,191	31,838,613	28,001,800	21,963,581	15,946,526
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	92,250,000	78,400,000	-	44,900,000	30,000,000
14	PREFERRED STOCK	-	-	20,000,000	-	-
15	COMMON STOCK	29,648,302	27,888,542	25,927,299	19,835,230	15,618,202
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	10,000,000	-
17	OTHER (NET)	46,005,491-	4,975,387-	3,448,982	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	75,892,811	101,313,155	49,376,281	74,735,230	45,618,202
20	OTHER SOURCES (NET):	-	-	-	-	1,411,296
21						
22						
23	TOTAL FUNDS PROVIDED	$ 107,785,002	$ 133,151,768	$ 77,378,081	$ 96,698,811	$ 62,976,024
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	ELECTRIC PLANT	$ 33,115,417	$ 22,458,235	$ 16,114,243	$ 28,557,123	$ 15,538,528
25	NUCLEAR PLANT	88,364,381	83,587,519	63,905,550	51,936,398	36,603,619
26	NUCLEAR FUEL	3,530,814	2,577,118	2,109,457	475,539	489,076
27	GAS PLANT	4,908,251	3,645,673	2,243,255	2,971,317	3,418,900
28	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
29	STEAM PLANT	-	-	-	-	-
30	NON-UTILITY PLANT	-	-	-	-	-
31	OTHER	-	-	-	-	-
32	TOTAL GROSS ADDITIONS	129,918,873	112,268,543	84,372,508	83,940,438	56,050,123
33	LESS INTEREST CAPITALIZED	28,432,772	21,921,590	16,428,513	14,761,877	13,915,717
34	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	103,486,101	90,346,953	67,943,992	69,178,568	42,134,406
	RETIREMENT OF DEBT AND SECURITIES					
35	LONG TERM DEBT	175,000	11,175,000	175,000	6,175,000	18,175,000
36	PREFERRED STOCK	-	-	-	-	-
37	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
38	NET DECREASE IN SHORT TERM DEBT	-	23,000,000	3,500,000	-	1,500,000
39	OTHER (NET):	-	-	-	-	-
40						
41	TOTAL RETIREMENT OF DEBT AND SECURITIES	175,000	34,175,000	3,675,000	6,175,000	19,675,000
42	OTHER USES (NET):	4,123,901	8,629,815	5,759,088	21,345,253	1,166,618
43						
44						
45	TOTAL FUNDS APPLIED	$ 107,785,002	$ 133,151,768	$ 77,378,081	$ 96,698,811	$ 62,976,024

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO.
	ELECTRIC OPERATING REVENUES					
REVENUES						
RESIDENTIAL	$ 144,494,038	$ 141,033,626	$ 126,332,199	$ 116,283,775	$ 110,134,735	1
COMMERCIAL AND INDUSTRIAL	205,845,678	191,914,636	169,498,157	155,750,242	152,867,985	2
PUBLIC STREET AND HIGHWAY LIGHTING	3,169,826	3,132,955	2,935,577	2,923,796	2,947,931	3
OTHER PUBLIC AUTHORITIES	28,628,809	23,462,082	21,522,166	19,928,431	19,010,185	4
RAILROADS AND RAILWAYS	-	-	-	-	-	5
INTERDEPARTMENTAL	46,564	56,812	44,863	38,885	43,048	6
TOTAL REVENUES FROM ULTIMATE CONSUMERS	380,184,913	359,600,111	320,332,982	294,931,179	285,003,884	7
RESALE	50,378,618	93,479,026	87,772,843	85,620,743	111,027,720	8
TOTAL REVENUES FROM ELECTRIC SALES	430,563,531	453,079,137	408,105,825	380,551,922	396,031,604	9
OTHER ELECTRIC OPERATING REVENUES	8,088,510	1,781,340	3,683,734	3,608,061	2,360,572	10
TOTAL ELECTRIC OPERATING REVENUES	$ 438,652,041	$ 454,860,477	$ 411,789,559	$ 384,159,983	$ 398,392,176	11
KILOWATT-HOUR SALES (THOUSANDS)						
RESIDENTIAL	1,238,400	1,237,993	1,181,217	1,154,951	1,163,461	12
COMMERCIAL AND INDUSTRIAL	2,357,312	2,176,743	2,047,081	1,980,567	2,007,236	13
PUBLIC STREET AND HIGHWAY LIGHTING	24,626	25,164	26,101	27,480	28,531	14
OTHER PUBLIC AUTHORITIES	277,794	238,918	231,370	228,119	228,505	15
RAILROADS AND RAILWAYS	-	-	-	-	-	16
INTERDEPARTMENTAL	1,104	1,314	1,095	947	1,033	17
TOTAL SALES TO ULTIMATE CONSUMERS	3,897,236	3,680,131	3,486,864	3,392,065	3,428,767	18
RESALE	1,103,376	1,779,784	1,794,695	1,635,766	2,093,493	19
TOTAL KILOWATT-HOUR SALES	5,000,613	5,459,915	5,281,559	5,027,830	5,522,260	20
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	197,687	193,764	190,325	188,050	185,623	21
COMMERCIAL AND INDUSTRIAL	28,236	25,609	25,133	24,838	24,574	22
PUBLIC STREET AND HIGHWAY LIGHTING	191	189	188	187	186	23
OTHER PUBLIC AUTHORITIES	2,453	2,339	2,622	2,593	2,659	24
RAILROADS AND RAILWAYS	-	-	-	-	-	25
INTERDEPARTMENTAL	1	1	1	1	1	26
TOTAL ULTIMATE CONSUMERS	228,568	221,902	218,269	215,669	213,042	27
RESALE	5	7	8	9	9	28
TOTAL CUSTOMERS	228,573	221,909	218,277	215,678	213,051	29
ELECTRIC OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 730.92	$ 727.86	$ 663.77	$ 618.42	$ 593.32	30
AVERAGE KWH CONSUMPTION PER CUSTOMER	6,254	6,389	6,208	6,142	6,268	31
AVERAGE REVENUE PER KWH SOLD (CENTS)	11.69	11.39	10.70	10.07	9.47	32
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 7,845.92	$ 7,494.03	$ 6,744.05	$ 6,270.64	$ 6,220.72	33
AVERAGE KWH CONSUMPTION PER CUSTOMER	89,860	84,999	81,450	79,739	81,681	34
AVERAGE REVENUE PER KWH SOLD (CENTS)	8.73	8.82	8.28	7.86	7.62	35
	ELECTRIC OPERATION AND MAINTENANCE EXPENSES					
POWER PRODUCTION EXPENSES						
STEAM POWER						
FUEL	$ 167,593,770	$ 203,687,548	$ 191,343,983	$ 165,599,923	$ 183,451,488	36
OTHER	12,334,000	12,145,284	12,462,934	9,936,537	9,185,572	37
TOTAL STEAM POWER EXPENSES	179,927,770	215,832,832	203,806,917	175,536,460	192,637,060	38
NUCLEAR POWER						
FUEL	-	-	-	-	-	39
OTHER	-	-	-	-	-	40
TOTAL NUCLEAR POWER EXPENSES	-	-	-	-	-	41
HYDRAULIC POWER						
WATER FOR POWER	422,748	956,756	1,323,296	901,684	450,498	42
OTHER	820,971	1,306,929	770,828	722,666	443,078	43
TOTAL HYDRAULIC POWER EXPENSES	1,243,719	2,263,685	2,094,124	1,624,350	893,576	44
OTHER POWER GENERATION						
FUEL	171,119	93,170	129,595	217,482	264,976	45
OTHER	179,436	256,614	149,426	401,696	148,506	46
TOTAL OTHER POWER GENERATION EXPENSE	350,555	349,784	279,021	619,178	413,482	47
OTHER POWER SUPPLY EXPENSES						
PURCHASED POWER	50,538,138	52,545,117	40,427,763	68,009,395	80,268,354	48
OTHER	1,501,903	1,663,171	1,574,842	1,453,436	1,185,682	49
TOTAL OTHER POWER SUPPLY EXPENSES	52,040,041	54,208,288	42,002,605	69,462,831	81,454,036	50
TOTAL POWER PRODUCTION EXPENSES	233,562,085	272,654,589	248,182,667	247,242,819	275,398,154	51
TRANSMISSION EXPENSES	3,923,975	3,685,819	3,737,088	3,949,569	3,432,251	52
DISTRIBUTION EXPENSES	12,257,243	11,013,729	10,215,886	9,958,563	9,201,008	53
CUSTOMER ACCOUNTS EXPENSES	7,182,664	6,873,939	6,612,268	6,531,588	5,480,837	54
SALES EXPENSES	1,348,634	1,111,273	675,021	664,312	496,636	55
ADMINISTRATIVE AND GENERAL	24,094,377	22,486,068	20,949,525	18,888,086	17,059,703	56
TOTAL ELECTRIC OPERATION/MAINTENANCE EXPENSES	$ 282,368,978	$ 317,825,417	$ 290,372,455	$ 287,234,917	$ 311,068,589	57
	ELECTRIC UTILITY PLANT*					
ELECTRIC UTILITY PLANT						
ELECTRIC PLANT IN SERVICE						
INTANGIBLE PLANT	$ 45,519	$ 45,519	$ 45,519	$ 45,519	$ 45,519	58
PRODUCTION PLANT						
STEAM	209,224,070	207,325,202	203,176,404	209,610,104	192,376,009	59
NUCLEAR	-	-	-	-	-	60
HYDRAULIC	10,625,021	10,233,998	10,236,694	10,042,622	9,021,629	61
OTHER	3,442,928	3,439,609	3,430,428	3,430,428	3,412,226	62
TRANSMISSION PLANT	67,549,254	63,738,889	63,450,472	63,426,475	61,557,069	63
DISTRIBUTION PLANT	196,740,080	187,333,159	179,510,323	173,529,512	164,843,500	64
GENERAL PLANT	527,879	554,188	549,859	529,641	413,398	65
ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-	66
EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-	67
NUCLEAR FUEL ASSEMBLIES	12,649,287	9,118,455	6,541,339	4,431,882	4,344,908	68
TOTAL ELECTRIC PLANT IN SERVICE	500,804,018	481,789,019	466,941,038	465,046,183	436,014,258	69
PLANT LEASED TO OTHERS	-	-	-	-	-	70
PLANT HELD FOR FUTURE USE	5,400,449	5,398,573	5,398,573	5,842,942	5,931,125	71
CONSTRUCTION WORK IN PROGRESS	437,828,899	338,933,474	251,449,125	184,025,966	155,217,799	72
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	73
TOTAL ELECTRIC UTILITY PLANT	944,031,388	828,121,066	723,788,736	654,915,091	597,163,182	74
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	202,685,118	190,723,311	178,216,917	166,916,145	152,555,118	75
NET ELECTRIC UTILITY PLANT	$ 741,346,250	$ 637,397,755	$ 545,571,819	$ 487,998,946	$ 444,608,064	76
PLANT IN SERVICE BEGINNING OF YEAR	$ 481,789,019	$ 466,941,038	$ 465,046,183	$ 436,014,258	$ 427,708,986	77
ADDITIONS	22,219,853	16,508,276	3,830,314	31,776,393	13,725,171	78
RETIREMENTS	3,087,456	1,660,296	1,942,655	2,498,404	2,336,488	79
TRANSFERS AND ADJUSTMENTS	137,396-	-	7,196	246,064-	3,083,410-	80
PLANT IN SERVICE END OF YEAR	$ 500,804,020	$ 481,789,019	$ 466,941,038	$ 465,046,183	$ 436,014,258	81

*EXCLUDES ALLOCATION OF COMMON PLANT

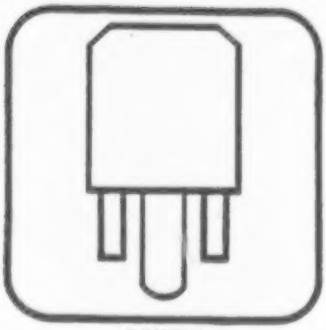
MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS

YEARS ENDED DECEMBER 31

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES - ULTIMATE CONSUMERS	$ 386,273,423	$ 361,381,451	$ 323,996,716	$ 298,539,240	$ 287,384,456
2	SALES-ULTIMATE CONSUMERS (000 KWH)	3,897,236	3,680,130	3,486,884	3,392,064	3,428,766
				DOLLAR AMOUNTS		
3	FUEL AND PURCHASED POWER	$ 169,727,064	$ 172,084,314	$ 153,848,877	$ 160,283,246	$ 164,674,991
4	WAGES AND BENEFITS	35,043,060	33,490,238	32,735,322	29,337,430	26,166,100
5	OTHER OPERATION AND MAINTENANCE EXPENSES	27,498,768	25,272,804	22,617,801	21,533,237	18,373,681
6	DEPRECIATION AND AMORTIZATION EXPENSES	21,256,008	19,473,843	18,675,631	14,870,527	13,973,963
7	INCOME TAXES - OPERATING	34,408,700	30,016,700	24,212,784	15,836,000	10,462,900
8	OTHER TAXES - OPERATING	35,668,834	33,753,866	30,412,769	26,701,404	25,273,418
9	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	22,537,497	20,747,327	19,017,649	16,651,164	14,628,145
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	3,933,000	4,090,168	3,783,704	2,675,340	2,916,002
11	EARNINGS AVAILABLE FOR COMMON EQUITY	36,203,503	22,452,191	18,882,175	10,660,880	10,895,256
12	TOTAL	$ 386,273,423	$ 361,381,451	$ 323,996,716	$ 298,539,240	$ 287,384,456
			PERCENT OF REVENUES - ULTIMATE CONSUMERS			
13	FUEL AND PURCHASED POWER	43.9	47.6	47.5	53.7	57.3
14	WAGES AND BENEFITS	9.1	9.3	10.1	9.8	9.1
15	OTHER OPERATION AND MAINTENANCE EXPENSES	7.1	7.0	7.0	7.2	6.4
16	DEPRECIATION AND AMORTIZATION EXPENSES	5.5	5.4	5.8	5.0	4.9
17	INCOME TAXES - OPERATING	8.9	8.3	7.5	5.3	3.6
18	OTHER TAXES - OPERATING	9.2	9.3	9.4	8.9	8.8
19	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	5.8	5.7	5.9	5.6	5.1
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1.0	1.1	1.2	0.9	1.0
21	EARNINGS AVAILABLE FOR COMMON EQUITY	9.4	6.2	5.8	3.6	3.8
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER KWH		
23	FUEL AND PURCHASED POWER	4.36	4.68	4.37	4.73	4.80
24	WAGES AND BENEFITS	0.90	0.91	0.94	0.86	0.76
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.71	0.69	0.65	0.63	0.54
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.55	0.53	0.54	0.44	0.41
27	INCOME TAXES - OPERATING	0.88	0.82	0.69	0.47	0.31
28	OTHER TAXES - OPERATING	0.92	0.92	0.87	0.79	0.74
29	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	0.58	0.56	0.55	0.49	0.43
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.10	0.11	0.11	0.08	0.09
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.93	0.61	0.54	0.31	0.32
32	TOTAL	9.91	9.82	9.29	8.80	8.38
	* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	94.55	93.94	93.05	92.34	91.73



POWER

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE BALANCE SHEETS, YEARS ENDED DECEMBER 31

CONSOLIDATED EDISON CO. OF NEW YORK, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 8,183,699,858	$ 7,925,881,582	$ 7,644,564,709	$ 7,375,141,812	$ 7,135,624,209
2	ACCUM. PROVISION FOR DEPR. AND AMORT	2,282,353,216	2,170,007,475	2,040,513,853	1,860,106,602	1,760,841,663
3	NET ELECTRIC UTILITY PLANT	5,901,346,642	5,755,874,107	5,604,050,856	5,515,035,210	5,374,782,546
4	OTHER UTILITY PLANT	1,524,570,439	1,441,930,980	1,350,647,146	1,270,543,050	1,183,765,055
5	ACCUM. PROVISION FOR DEPR. AND AMORT	330,142,748	300,329,378	278,000,283	250,441,367	223,167,014
6	NET OTHER UTILITY PLANT	1,194,427,691	1,141,601,602	1,072,646,863	1,020,101,683	960,598,041
7	TOTAL UTILITY PLANT	9,688,270,297	9,367,812,562	8,995,211,855	8,645,684,862	8,319,389,264
8	ACCUM. PROVISION FOR DEPR. AND AMORT	2,592,495,964	2,470,336,853	2,318,514,136	2,110,547,959	1,984,008,677
9	NET TOTAL UTILITY PLANT	7,095,774,333	6,897,475,709	6,676,697,719	6,535,136,903	6,335,380,587
10	NONUTILITY PROPERTY LESS ACCUM. PROVISION FOR DEPRECIATION AND AMORTIZATION	2,668,546	3,303,442	3,480,748	3,296,748	4,311,841
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	6,380,957	5,947,074	5,399,750	4,717,287	3,977,052
13	OTHER INVESTMENTS	1,192,708	106,386	106,486	646,827	623,804
14	SPECIAL FUNDS	75,728	91,502	92,297	112,625	121,958,326
15	TOTAL OTHER PROPERTY AND INVESTMENTS	10,317,939	9,448,404	9,079,280	8,773,484	130,869,023
16	CASH	14,598,691	17,014,965	8,130,718	7,708,219	11,054,823
17	SPECIAL DEPOSITS	4,497,936	11,367,007	1,619,084	1,238,208	1,367,541
18	WORKING FUNDS	1,049,352	1,334,870	1,175,492	2,724,157	849,258
19	TEMPORARY CASH INVESTMENTS	836,760,660	748,568,642	588,686,961	333,255,325	347,419,150
20	NOTES + ACCOUNTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	403,169,594	402,444,478	425,478,680	389,151,372	384,871,436
21	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
22	MATERIALS AND SUPPLIES	294,866,183	320,672,806	283,681,950	316,638,230	300,980,902
23	PREPAYMENTS	37,412,031	47,387,933	29,498,654	23,213,271	21,862,077
24	OTHER CURRENT AND ACCRUED ASSETS	32,677,589	49,478,598	49,887,090	52,501,392	38,877,957
25	TOTAL CURRENT AND ACCRUED ASSETS	1,625,032,025	1,598,240,236	1,399,165,638	1,106,430,182	1,085,283,143
26	UNAMORTIZED DEBT EXPENSE	20,417,887	15,811,046	16,973,968	18,154,592	19,352,486
27	EXTRAORDINARY PROPERTY LOSSES	60,740,772	31,910,678	37,016,386	6,721,110	33,605,550
28	PREL. SURVEY + INVESTIGATION CHARGES	178,302	3,131,048	-	-	-
29	CLEARING ACCOUNTS	2,744,174	3,524,777	3,894,793	3,358,790	2,551,152
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	8,425,450-	5,570,402-	7,688,497-	3,698,020-	-
32	ACCUMULATED DEFERRED INCOME TAXES	55,947,000	42,473,000	39,222,000	42,856,000	32,081,302
33	OTHER DEFERRED DEBITS	129,722,771	128,544,014	104,059,792	193,490,361	125,778,649
34	TOTAL DEFERRED DEBITS	253,325,447	219,824,161	193,480,462	260,882,833	213,379,138
35	TOTAL ASSETS AND OTHER DEBITS	$ 8,984,449,744	$ 8,724,984,572	$ 8,278,423,100	$ 7,911,223,382	$ 7,764,911,891
	LIABILITIES AND OTHER CREDITS					
36	COMMON STOCK ISSUED	$ 604,543,535	$ 649,460,585	$ 646,761,000	$ 642,627,220	$ 634,538,050
37	PREFERRED STOCK ISSUED	665,201,027	659,338,927	663,828,727	669,325,827	683,235,427
38	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
39	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
40	PREMIUM ON CAPITAL STOCK	746,389,113	803,518,128	802,004,911	781,869,513	782,383,898
41	OTHER PAID-IN CAPITAL	-	-	-	-	-
42	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
43	CAPITAL STOCK EXPENSE	33,250,913-	35,083,428-	35,094,014-	34,871,280-	34,120,755-
44	RETAINED EARNINGS	2,632,986,101	2,593,797,871	2,287,687,133	1,993,471,364	1,758,560,193
45	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	326,362	298,479	312,024	281,532	314,293-
46	REACQUIRED CAPITAL STOCK	-	-	-	-	-
47	TOTAL PROPRIETARY CAPITAL	4,606,194,286	4,671,325,582	4,367,499,761	4,052,724,196	3,801,281,520
48	BONDS (LESS BONDS REACQUIRED)	2,407,880,500	2,482,880,500	2,522,880,500	2,567,880,500	2,689,569,500
49	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
50	OTHER LONG-TERM DEBT	298,415,036	905,326	590,795	671,700	748,285
51	NET UNAMORTIZED PREMIUM + DISCOUNT	1,180,058	1,393,918	1,627,778	1,893,384	2,186,507
52	TOTAL LONG-TERM DEBT	2,705,464,594	2,484,789,744	2,525,108,073	2,570,454,584	2,692,504,292
53	NOTES PAYABLE	-	-	-	-	-
54	ACCOUNTS PAYABLE	179,180,944	182,297,540	161,295,259	178,100,417	184,577,191
55	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
56	CUSTOMER DEPOSITS	116,107,083	101,956,559	88,276,383	79,754,661	74,920,571
57	TAXES ACCRUED	207,781,157	181,170,353	178,326,081	100,938,086	140,484,897
58	INTEREST ACCRUED	56,110,827	47,650,229	47,150,760	47,643,308	47,407,534
59	DIVIDENDS DECLARED	9,474,837	9,817,786	9,697,086	9,797,291	10,018,374
60	TAX COLLECTIONS PAYABLE	24,555,821	24,558,166	22,247,282	20,290,070	21,202,480
61	OTHER CURRENT AND ACCRUED LIABILITIES	186,815,083	164,088,768	148,486,514	141,275,661	145,865,557
62	TOTAL CURRENT AND ACCRUED LIABILITIES	779,005,752	711,339,399	683,479,464	577,799,515	624,476,604
63	CUSTOMER ADVANCES FOR CONSTRUCTION	2,772,657	1,990,124	960,217	524,400	19,657
64	DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-
65	ACCUM. DEFERRED INVESTMENT TAX CREDITS	283,158,000	281,490,000	240,990,000	225,280,000	198,200,000
66	OTHER DEFERRED CREDITS	71,285,803	78,555,908	60,820,706	70,615,098	97,111,740
	ACCUMULATED DEFERRED INCOME TAXES:					
67	ACCELERATED AMORTIZATION	528,000	798,000	1,647,000	2,415,000	3,192,627
68	LIBERALIZED DEPRECIATION	510,792,000	438,367,000	380,294,000	295,471,000	253,648,000
69	OTHER	54,146,000	70,627,000	68,053,000	107,742,000	88,527,238
70	TOTAL DEFERRED CREDITS	932,680,460	849,816,030	722,764,922	702,047,498	638,699,262
71	PROPERTY INSURANCE RESERVE	-	-	-	-	-
72	INJURIES AND DAMAGE RESERVE	9,124,653	7,724,837	9,570,860	8,197,619	7,970,213
73	PENSION AND BENEFITS RESERVE	-	-	-	-	-
74	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
75	TOTAL OPERATING RESERVES	9,124,653	7,724,837	9,570,860	8,197,619	7,970,213
76	TOTAL LIABILITIES AND OTHER CREDITS	$ 8,984,449,744	$ 8,724,984,572	$ 8,278,423,100	$ 7,911,223,382	$ 7,764,911,891

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

CONSOLIDATED EDISON CO. OF NEW YORK, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS						
ELECTRIC UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 4,419,118,403	$ 4,620,768,540	$ 4,412,056,304	$ 4,020,287,718	$ 3,985,518,322	1
OPERATION AND MAINTENANCE EXPENSE	2,362,134,798	2,573,982,014	2,459,515,317	2,346,825,751	2,431,194,471	2
DEPRECIATION EXPENSE	231,332,382	219,472,120	211,026,175	195,347,828	184,641,038	3
AMORTIZATION	7,416,601	5,980,104	14,148,289	28,884,440	20,163,338	4
TAXES OTHER THAN INCOME TAXES	821,408,715	803,342,481	742,850,255	658,757,519	622,504,257	5
INCOME TAXES	317,786,000	283,809,000	338,402,000	204,281,000	200,064,000	6
PROVISION FOR DEFERRED INCOME TAXES	138,855,000	227,453,000	186,327,000	202,754,000	303,997,000	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	99,242,000-	151,439,000-	198,022,000-	174,001,000-	312,309,000-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	197,821-	788,911-	575,183-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	3,779,493,673	3,961,832,808	3,775,471,853	3,460,829,536	3,450,255,102	12
NET OPERATING REVENUES	639,624,730	658,935,732	636,584,451	559,458,182	535,263,220	13
INC. FROM LSD. PLT. & OTHER OPER. INC	-	-	-	-	723,308	14
ELECTRIC UTILITY OPERATING INCOME	639,624,730	658,935,732	636,584,451	559,458,182	535,986,528	15
OTHER UTILITY OPERATING INCOME	75,518,482	92,029,610	92,197,303	78,208,484	58,389,830	16
TOTAL UTILITY OPERATING INCOME	715,143,212	750,965,342	728,781,754	637,666,666	594,376,358	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	4,285-	2,184-	4,954-	15,553-	5	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	298,368	277,738	243,482	316,995	304,131	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	59,883	81,191	94,379	69,758	78,178	21
INTEREST AND DIVIDEND INCOME	51,995,182	64,443,775	33,051,443	45,692,473	52,217,147	22
ALLOWANCE FOR CONSTRUCTION FUNDS	10,305,707	22,392,157	14,682,068	18,461,720	12,394,767	23
MISCELLANEOUS NONOPERATING INCOME	25,590	45,243	40,889	59,300	98,587	24
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	25
TOTAL OTHER INCOME	62,680,445	87,237,920	48,087,307	64,604,693	65,092,815	26
TOTAL INCOME	777,823,657	838,203,262	776,869,061	702,271,359	659,469,173	
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	1,096,300	1,027,097	734,787	723,476	804,373	28
INCOME TAXES-NONOPERATING	18,860,000	26,340,000	12,210,000	18,630,000	21,230,000	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	6,013,387	6,467,062	6,433,303	4,806,321	4,810,264	32
TOTAL INCOME DEDUCTIONS	25,969,687	33,834,159	19,378,090	24,159,797	26,844,637	33
INCOME BEFORE INTEREST CHARGES	751,853,970	804,369,103	757,490,971	678,111,562	632,624,536	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	168,121,328	161,689,219	163,397,990	165,348,403	168,778,087	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	1,219,284	1,162,941	1,180,605	1,197,893	1,227,212	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	233,860-	233,860-	265,606-	293,123-	387,364-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	19,015,974	21,779,642	17,342,189	19,307,289	14,980,588	39
TOTAL INTEREST CHARGES	188,122,724	184,397,942	181,655,178	185,560,462	184,598,523	40
INCOME BEFORE EXTRAORDINARY ITEMS	563,731,246	619,971,161	575,835,793	492,551,100	448,026,013	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 563,731,246	$ 619,971,161	$ 575,835,793	$ 492,551,100	$ 448,026,013	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 2,593,797,871	$ 2,287,687,133	$ 1,993,471,354	$ 1,755,569,193	$ 1,535,345,504	47
BALANCE TRANSFERRED FROM INCOME	563,631,053	620,016,706	575,805,321	491,958,275	447,986,123	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	38,352,979	38,649,403	38,971,380	39,507,816	40,502,578	50
-COMMON STOCK	296,922,029	275,246,410	242,608,007	214,538,143	187,249,704	51
ADJUSTMENTS TO RETAINED EARNINGS	189,168,755-	10,156-	10,155-	10,155-	10,154-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,632,985,161	2,593,797,871	2,287,687,133	1,993,471,354	1,755,569,193	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	326,362	266,479	312,024	281,532	314,293-	55
TOTAL RETAINED EARNINGS, END OF YEAR	$ 2,633,311,523	$ 2,594,064,350	$ 2,287,999,157	$ 1,993,752,886	$ 1,755,254,900	56
SELECTED BALANCE SHEET RELATIONSHIPS						
ELEC. UTILITY PLANT/DOLLAR OF ELEC. REVENUE	1.82	1.68	1.70	1.80	1.76	57
OTHER UTILITY PLANT/DOLLAR OTHER REVENUE	1.38	1.25	1.17	1.16	1.28	58
TOTAL UTILITY PLANT/DOLLAR TOTAL REVENUE	1.73	1.60	1.60	1.67	1.67	59
CURRENT ASSETS / BY CURRENT LIABILITIES	2.09	2.25	2.14	1.91	1.74	60
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	36.8	34.7	36.6	38.8	41.4	61
PREFERRED STOCK	9.0	9.2	9.6	10.1	10.5	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	18.1	19.8	20.5	20.9	20.9	63
RETAINED EARNINGS	36.1	36.2	33.1	30.0	27.0	64
LONG-TERM DEBT % OF GROSS UTILITY PLANT	27.5	26.5	28.0	29.7	32.3	65
% OF NET UTILITY PLANT	37.5	36.0	37.8	39.3	42.4	66
ACCUM. PROVISION FOR DEPR. % OF UTILITY PLT	26.7	26.3	25.7	24.4	23.8	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
ELECTRIC OPERATING REVENUES % OF TOTAL OPERATING REVENUES	80.1	80.4	79.8	79.1	81.7	68
PERCENT OF ELECTRIC OPERATING REVENUES						
ELECTRIC OPERATION AND MAINTENANCE	53.4	55.7	55.7	58.3	61.0	69
ELECTRIC DEPRECIATION AND AMORTIZATION	5.4	4.8	5.1	5.5	5.1	70
TOTAL INCOME TAXES-ELECTRIC, OPERATING	8.0	7.7	7.9	5.7	4.8	71
OTHER TAXES-ELECTRIC, OPERATING	18.5	17.3	16.8	16.3	15.6	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL ELECTRIC OPERATING EXPENSE	85.5	85.7	85.5	86.0	86.5	74
ELECTRIC OPERATING INCOME	14.4	14.2	14.4	13.9	13.4	75
ELEC. DEPR. AND AMORT. % OF ELEC. UTILITY PLT	2.9	2.8	2.9	3.0	2.8	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	3.4	3.2	3.3	3.7	3.8	77
PRETAX INTEREST COVERAGE	6.2	6.1	6.4	5.2	4.8	78
NET INCOME-PERCENT OF OPERATING REVENUES	10.2	10.7	10.4	9.6	9.1	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.6	0.6	0.7	0.7	0.8	80
TIMES EARNED	14.7	16.0	14.8	12.5	11.1	81
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	5.3	4.7	4.3	4.2	3.8	82
% OF EARNINGS AVAILABLE FOR COMMON	56.5	47.3	45.1	47.3	45.9	83
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	13.1	15.0	15.1	13.9	13.5	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	7.4	7.1	6.8	6.5	6.2	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CONSOLIDATED EDISON CO. OF NEW YORK, INC

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 563,731,246	$ 619,971,161	$ 575,835,793	$ 492,551,100	$ 446,026,013
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	318,841,688	280,771,956	289,848,174	278,095,898	245,932,397
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	77,820,000	110,610,000	27,990,000	62,410,000	34,040,000
4	INTEREST CAPITALIZED	10,305,707-	22,392,157-	14,862,068-	18,461,720-	12,394,787-
5	OTHER (NET):	17,008,004	-	-	-	
6						38,735,178
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	967,095,231	988,980,960	879,011,899	814,595,078	752,338,821
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-		-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	967,095,231	988,980,960	879,011,899	814,595,078	752,338,821
10	LESS DIVIDENDS: PREFERRED	38,352,979	38,649,403	38,971,360	39,507,816	40,502,576
11	COMMON	296,922,029	275,246,410	242,608,007	214,535,143	187,249,704
12	NET FUNDS FROM INTERNAL SOURCES	631,820,223	675,085,147	597,432,532	560,552,119	524,586,541
	EXTERNAL SOURCES					
13	LONG TERM DEBT	256,000,000	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	23,002,078	15,965,185	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-		-
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	256,000,000	-	23,002,078	15,965,185	-
20	OTHER SOURCES (NET):	40,880,625	-	49,043,488	4,808,403	108,037,299
21						
22						
23	TOTAL FUNDS PROVIDED	$ 928,700,848	$ 675,085,147	$ 669,478,098	$ 581,323,707	$ 632,623,840
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	ELECTRIC PLANT	$ 308,398,783	$ 305,291,256	$ 263,892,356	$ 264,438,144	$ 261,341,440
25	NUCLEAR PLANT	39,368,683	40,416,745	22,277,395	59,355,512	63,853,247
26	NUCLEAR FUEL	72,397,497	11,934,814	29,464,569	20,508,728	-
27	GAS PLANT	48,593,177	41,839,008	44,379,756	47,741,648	62,329,704
28	LIQUEFIED NATURAL GAS PLANT	54,392	62,714	326,825	356,392	304,005
29	STEAM PLANT	7,921,408	8,608,333	7,874,714	6,620,701	7,087,698
30	NON-UTILITY PLANT	-	-	-	-	-
31	OTHER	53,041,988	68,998,551	51,538,138	46,392,077	35,243,873
32	TOTAL GROSS ADDITIONS	530,673,927	477,151,423	419,753,751	445,413,200	430,139,987
33	LESS INTEREST CAPITALIZED	10,305,707	22,392,157	14,862,068	18,461,720	12,394,787
34	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	520,368,220	454,759,266	405,091,683	426,951,480	417,745,200
	RETIREMENT OF DEBT AND SECURITIES					
35	LONG TERM DEBT	75,090,291	40,085,468	45,080,905	121,758,585	75,842,792
36	PREFERRED STOCK	2,250,000	2,250,000	2,250,000	2,250,000	2,250,000
37	REDEMPTION OF CAPITAL STOCK	289,337,811	-	-	-	-
38	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
39	OTHER (NET):	-	-	-	-	-
40						
41	TOTAL RETIREMENT OF DEBT AND SECURITIES	366,678,102	42,335,468	47,330,905	124,008,585	78,092,792
42	OTHER USES (NET)	41,654,526	177,970,413	217,055,508	30,363,642	136,785,848
43						
44						
45	TOTAL FUNDS APPLIED	$ 928,700,848	$ 675,085,147	$ 669,478,098	$ 581,323,707	$ 632,623,840

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

CONSOLIDATED EDISON CO. OF NEW YORK, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO.
	ELECTRIC OPERATING REVENUES					
REVENUES						
RESIDENTIAL	$ 1,280,757,722	$ 1,381,800,884	$ 1,316,588,889	$ 1,177,735,153	$ 1,145,847,359	1
COMMERCIAL AND INDUSTRIAL	2,758,721,458	2,854,824,925	2,705,398,747	2,498,305,163	2,423,382,397	2
PUBLIC STREET AND HIGHWAY LIGHTING	598,796	950,464	520,373	477,628	435,085	3
OTHER PUBLIC AUTHORITIES	43,511,814	48,708,082	45,774,889	41,573,324	42,488,083	4
RAILROADS AND RAILWAYS	8,993,059	9,541,556	12,803,428	13,331,426	19,538,346	5
INTERDEPARTMENTAL	-	-	-	-	-	6
TOTAL REVENUES FROM ULTIMATE CONSUMERS	4,091,582,852	4,273,222,991	4,081,085,918	3,731,422,892	3,631,888,250	7
RESALE	105,768,909	145,675,358	147,480,338	118,798,919	193,838,158	8
TOTAL REVENUES FROM ELECTRIC SALES	4,197,351,561	4,418,898,349	4,228,566,854	3,850,221,611	3,825,508,408	9
OTHER ELECTRIC OPERATING REVENUES	221,766,842	201,870,191	183,489,450	170,066,107	160,011,914	10
TOTAL ELECTRIC OPERATING REVENUES	$ 4,419,118,403	$ 4,620,768,540	$ 4,412,056,304	$ 4,020,287,718	$ 3,985,518,322	11
KILOWATT-HOUR SALES (THOUSANDS)						
RESIDENTIAL	8,098,945	8,253,770	8,280,778	7,685,840	7,723,440	12
COMMERCIAL AND INDUSTRIAL	21,014,951	20,672,844	20,020,122	19,190,515	18,952,082	13
PUBLIC STREET AND HIGHWAY LIGHTING	4,559	4,008	3,891	3,702	3,528	14
OTHER PUBLIC AUTHORITIES	395,155	385,888	385,248	349,558	384,994	15
RAILROADS AND RAILWAYS	58,478	73,281	104,172	110,158	145,781	16
INTERDEPARTMENTAL	-	-	-	-	-	17
TOTAL SALES TO ULTIMATE CONSUMERS	29,568,087	29,389,790	28,794,209	27,339,573	27,189,823	18
RESALE	2,605,674	3,021,233	2,894,671	2,420,305	3,112,367	19
TOTAL KILOWATT-HOUR SALES	32,173,761	32,411,023	31,688,880	29,759,878	30,302,189	20
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	2,448,981	2,434,131	2,416,159	2,402,712	2,390,365	21
COMMERCIAL AND INDUSTRIAL	356,198	348,330	344,972	342,593	339,823	22
PUBLIC STREET AND HIGHWAY LIGHTING	168	145	138	129	64	23
OTHER PUBLIC AUTHORITIES	999	973	907	911	738	24
RAILROADS AND RAILWAYS	4	4	4	4	4	25
INTERDEPARTMENTAL	-	-	-	-	-	26
TOTAL ULTIMATE CONSUMERS	2,808,328	2,783,589	2,762,178	2,746,349	2,730,994	27
RESALE	4	4	4	4	5	28
TOTAL CUSTOMERS	2,808,330	2,783,593	2,762,182	2,746,353	2,730,999	29
ELECTRIC OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 522.98	$ 559.38	$ 544.91	$ 490.17	$ 479.38	30
AVERAGE KWH CONSUMPTION PER CUSTOMER	3,308	3,391	3,427	3,199	3,231	31
AVERAGE REVENUE PER KWH SOLD (CENTS)	15.82	16.50	15.90	15.32	14.84	32
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 7,747.76	$ 8,195.75	$ 7,842.37	$ 7,292.34	$ 7,131.31	33
AVERAGE KWH CONSUMPTION PER CUSTOMER	58,998	59,348	58,034	56,015	55,770	34
AVERAGE REVENUE PER KWH SOLD (CENTS)	13.13	13.81	13.51	13.02	12.79	35
	ELECTRIC OPERATION AND MAINTENANCE EXPENSES					
POWER PRODUCTION EXPENSES						
STEAM POWER						
FUEL	$ 789,215,225	$ 950,153,652	$ 1,004,187,815	$ 1,031,621,686	$ 1,171,451,687	36
OTHER	203,041,210	177,827,776	183,369,702	164,344,834	148,051,198	37
TOTAL STEAM POWER EXPENSES	992,256,435	1,127,981,428	1,187,557,517	1,195,966,520	1,319,502,885	38
NUCLEAR POWER						
FUEL	57,980,935	17,133,488	63,328,008	5,348,661	43,532,528	39
OTHER	58,850,521	96,839,413	49,910,880	68,663,820	54,506,317	40
TOTAL NUCLEAR POWER EXPENSES	116,831,456	113,972,901	113,238,888	74,012,481	98,038,845	41
HYDRAULIC POWER						
WATER FOR POWER	-	-	-	-	-	42
OTHER	-	-	-	-	-	43
TOTAL HYDRAULIC POWER EXPENSES	-	-	-	-	-	44
OTHER POWER GENERATION						
FUEL	14,052,096	27,149,824	16,217,388	11,873,544	35,218,963	45
OTHER	26,729,013	25,990,101	33,034,316	25,550,010	27,097,660	46
TOTAL OTHER POWER GENERATION EXPENSE	40,781,109	53,139,925	49,251,704	37,423,554	62,316,623	47
OTHER POWER SUPPLY EXPENSES						
PURCHASED POWER	461,938,066	580,332,907	429,119,342	409,496,304	382,071,787	48
OTHER	8,391,584	4,060,888	4,108,789	3,526,943	3,233,976	49
TOTAL OTHER POWER SUPPLY EXPENSES	470,329,650	584,393,795	433,228,131	413,023,247	385,305,763	50
TOTAL POWER PRODUCTION EXPENSES	1,620,198,650	1,859,488,049	1,783,276,220	1,720,425,802	1,865,164,116	51
TRANSMISSION EXPENSES	82,048,620	85,167,038	76,183,931	54,505,119	56,529,828	52
DISTRIBUTION EXPENSES	211,858,082	194,302,592	194,672,845	174,267,942	157,306,392	53
CUSTOMER ACCOUNTS EXPENSES	143,187,430	147,066,852	134,588,301	133,823,054	128,744,987	54
SALES EXPENSES	6,537,010	9,244,547	7,906,943	6,750,959	5,958,701	55
ADMINISTRATIVE AND GENERAL	298,305,004	278,712,936	262,890,077	247,052,875	217,490,487	56
TOTAL ELECTRIC OPERATION/MAINTENANCE EXPENSES	$ 2,362,134,798	$ 2,573,982,014	$ 2,459,515,317	$ 2,346,825,751	$ 2,431,194,471	57
	ELECTRIC UTILITY PLANT*					
ELECTRIC UTILITY PLANT						
ELECTRIC PLANT IN SERVICE						
INTANGIBLE PLANT	-	-	-	-	-	58
PRODUCTION PLANT						
STEAM	1,617,590,283	1,609,210,427	1,545,162,055	1,538,020,590	1,529,691,077	59
NUCLEAR	489,256,227	503,890,400	477,418,461	461,009,528	398,037,057	60
HYDRAULIC	-	-	-	-	-	61
OTHER	154,287,850	148,454,008	147,850,393	147,209,721	147,242,113	62
TRANSMISSION PLANT	1,371,270,045	1,328,899,577	1,262,794,681	1,205,463,387	1,154,951,296	63
DISTRIBUTION PLANT	4,056,520,600	3,832,080,390	3,691,869,502	3,615,733,535	3,491,149,842	64
GENERAL PLANT	-	-	-	-	-	65
ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-	66
EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-	67
NUCLEAR FUEL ASSEMBLIES	284,759,447	252,877,678	240,942,863	175,711,917	172,463,303	68
TOTAL ELECTRIC PLANT IN SERVICE	7,972,684,232	7,675,392,430	7,365,837,935	7,143,148,678	6,893,534,688	69
PLANT LEASED TO OTHERS	-	-	-	-	-	70
PLANT HELD FOR FUTURE USE	8,461,150	8,359,723	7,865,833	7,526,076	7,511,830	71
CONSTRUCTION WORK IN PROGRESS	182,554,476	242,129,429	270,860,941	224,467,058	234,577,691	72
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	73
TOTAL ELECTRIC UTILITY PLANT	8,163,699,858	7,925,881,582	7,644,564,709	7,375,141,812	7,135,624,209	74
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	2,262,353,216	2,170,007,475	2,040,513,853	1,860,106,602	1,760,841,663	75
NET ELECTRIC UTILITY PLANT	$ 5,901,346,642	$ 5,755,874,107	$ 5,604,050,856	$ 5,515,035,210	$ 5,374,782,546	76
PLANT IN SERVICE BEGINNING OF YEAR	$ 7,675,392,430	$ 7,365,837,936	$ 7,143,148,678	$ 6,893,534,688	$ 6,603,408,172	77
ADDITIONS	430,838,935	382,421,176	253,244,594	339,927,347	352,073,862	78
RETIREMENTS	134,944,472	72,842,289	67,485,746	90,231,017	62,834,282	79
TRANSFERS AND ADJUSTMENTS	1,397,339	24,393-	36,930,409	82,340-	686,936	80
PLANT IN SERVICE END OF YEAR	$ 7,972,684,232	$ 7,675,392,430	$ 7,365,837,935	$ 7,143,148,678	$ 6,893,534,688	81

*EXCLUDES ALLOCATION OF COMMON PLANT

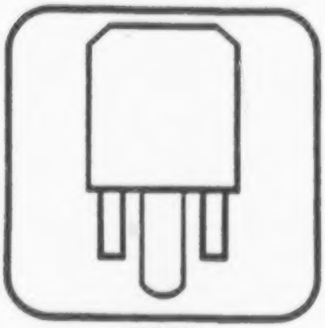
MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS

YEARS ENDED DECEMBER 31

CONSOLIDATED EDISON CO. OF NEW YORK, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES - ULTIMATE CONSUMERS	$ 4,313,349,494	$ 4,475,093,182	$ 4,264,575,386	$ 3,901,488,799	$ 3,791,680,164
2	SALES-ULTIMATE CONSUMERS (000 KWH)	29,568,087	29,389,790	28,794,208	27,339,573	27,189,822
				DOLLAR AMOUNTS		
3	FUEL AND PURCHASED POWER	$ 1,195,117,445	$ 1,390,562,844	$ 1,356,887,721	$ 1,321,938,462	$ 1,451,549,672
4	WAGES AND BENEFITS	665,351,514	632,240,968	575,472,726	557,347,570	508,782,942
5	OTHER OPERATION AND MAINTENANCE EXPENSES	370,793,465	383,183,032	367,720,184	328,717,661	286,300,669
6	DEPRECIATION AND AMORTIZATION EXPENSES	238,748,983	225,452,224	225,174,464	222,232,286	204,804,374
7	INCOME TAXES - OPERATING	357,399,000	359,823,000	348,707,000	233,019,000	191,752,000
8	OTHER TAXES - OPERATING	821,408,715	803,342,481	742,650,256	658,757,519	622,504,257
9	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	162,991,422	157,167,033	158,385,394	159,680,708	159,970,203
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	33,082,750	32,843,872	33,463,848	33,785,393	35,017,340
11	EARNINGS AVAILABLE FOR COMMON EQUITY	468,456,200	490,477,728	456,133,784	386,005,202	330,998,487
12	TOTAL	$ 4,313,349,494	$ 4,475,093,182	$ 4,264,575,386	$ 3,901,488,799	$ 3,791,680,164
				PERCENT OF REVENUES - ULTIMATE CONSUMERS		
13	FUEL AND PURCHASED POWER	27.7	31.1	31.8	33.9	38.3
14	WAGES AND BENEFITS	15.4	14.1	13.5	14.3	13.4
15	OTHER OPERATION AND MAINTENANCE EXPENSES	8.6	8.6	8.6	8.4	7.6
16	DEPRECIATION AND AMORTIZATION EXPENSES	5.5	5.0	5.3	5.7	5.4
17	INCOME TAXES - OPERATING	8.3	8.0	8.2	6.0	5.1
18	OTHER TAXES - OPERATING	19.0	18.0	17.4	16.9	16.4
19	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	3.8	3.5	3.7	4.1	4.2
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.8	0.7	0.8	0.9	0.9
21	EARNINGS AVAILABLE FOR COMMON EQUITY	10.9	11.0	10.7	9.9	8.7
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER KWH		
23	FUEL AND PURCHASED POWER	4.04	4.73	4.71	4.84	5.34
24	WAGES AND BENEFITS	2.25	2.15	2.00	2.04	1.87
25	OTHER OPERATION AND MAINTENANCE EXPENSES	1.25	1.30	1.28	1.20	1.05
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.81	0.77	0.78	0.81	0.75
27	INCOME TAXES - OPERATING	1.21	1.22	1.21	0.85	0.71
28	OTHER TAXES - OPERATING	2.78	2.73	2.58	2.41	2.29
29	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	0.55	0.53	0.54	0.58	0.59
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.11	0.11	0.12	0.12	0.13
31	EARNINGS AVAILABLE FOR COMMON EQUITY	1.58	1.67	1.59	1.41	1.22
32	TOTAL	14.59	15.23	14.81	14.27	13.95
	* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	87.71	87.81	87.84	88.08	88.24



POWER

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE BALANCE SHEETS, YEARS ENDED DECEMBER 31

LONG ISLAND LIGHTING COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 7,657,368,083	$ 6,794,794,131	$ 5,958,903,431	$ 5,095,104,663	$ 4,247,226,279
2	ACCUM. PROVISION FOR DEPR. AND AMORT.	698,348,824	644,491,356	593,540,712	546,966,625	503,308,910
3	NET ELECTRIC UTILITY PLANT	6,959,019,259	6,150,302,775	5,365,362,719	4,548,138,038	3,743,917,369
4	OTHER UTILITY PLANT	509,870,542	477,749,877	463,616,367	441,636,738	415,175,457
5	ACCUM. PROVISION FOR DEPR. AND AMORT.	154,722,264	144,073,214	133,757,278	125,551,217	117,306,536
6	NET OTHER UTILITY PLANT	355,148,278	333,676,663	329,859,089	316,085,521	297,868,921
7	TOTAL UTILITY PLANT	8,167,238,625	7,272,544,008	6,422,519,798	5,536,741,401	4,662,401,736
8	ACCUM. PROVISION FOR DEPR. AND AMORT.	853,071,088	788,564,570	727,297,990	672,517,842	620,615,446
9	NET TOTAL UTILITY PLANT	7,314,167,537	6,483,979,438	5,695,221,808	4,864,223,559	4,041,786,290
10	NONUTILITY PROPERTY LESS ACCUM. PROVISION FOR DEPRECIATION AND AMORTIZATION	1,886,950	2,810,569	2,815,520	2,823,013	2,863,678
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	519,522	569,669	636,925	608,056	547,010
13	OTHER INVESTMENTS	65,941,156	65,199,518	124,070,972	59,428,449	71,926,494
14	SPECIAL FUNDS	59,212	59,212	59,212	59,212	64,211
15	TOTAL OTHER PROPERTY AND INVESTMENTS	68,405,840	68,638,968	127,582,629	62,918,730	75,401,393
16	CASH	11,829,970	9,933,849	3,146,597	8,671,381	9,858,437
17	SPECIAL DEPOSITS	74,863,124	61,899,894	3,557,160	8,307,719	601,801
18	WORKING FUNDS	197,580	171,487	154,187	166,575	164,925
19	TEMPORARY CASH INVESTMENTS	3,300,000	21,600,000	272,073,860	18,200,000	42,200,000
20	NOTES + ACCOUNTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	177,601,513	183,446,914	168,028,746	149,785,401	149,241,024
21	RECEIVABLES FROM ASSOCIATED COMPANIES	1,838-	2,130-	2,572-	3,120	2,266
22	MATERIALS AND SUPPLIES	71,197,194	77,368,452	71,786,226	103,193,616	96,397,365
23	PREPAYMENTS	12,047,416	2,014,517	1,060,487	1,016,606	1,317,582
24	OTHER CURRENT AND ACCRUED ASSETS	63,415,219	70,969,727	67,198,107	71,875,276	62,074,984
25	TOTAL CURRENT AND ACCRUED ASSETS	414,450,178	427,402,710	587,002,798	361,219,694	361,858,384
26	UNAMORTIZED DEBT EXPENSE	31,833,338	31,852,357	18,603,746	17,446,019	15,100,799
27	EXTRAORDINARY PROPERTY LOSSES	25,537,410	42,512,850	-	474,412	991,953
28	PREL. SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
29	CLEARING ACCOUNTS	-	-	-	-	-
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	15,062,718-	11,865,267-	2,495,654-	1,428,027	1,673,639
32	ACCUMULATED DEFERRED INCOME TAXES	26,286,692	28,295,356	9,825,413	8,727,787	7,858,185
33	OTHER DEFERRED DEBITS	88,877,333	32,120,027	13,732,361	33,288,383	16,698,913
34	TOTAL DEFERRED DEBITS	157,471,055	122,915,323	39,665,866	61,362,628	42,323,489
35	TOTAL ASSETS AND OTHER DEBITS	$ 7,954,494,610	$ 7,102,938,439	$ 6,449,473,101	$ 5,349,724,611	$ 4,521,369,556
	LIABILITIES AND OTHER CREDITS					
36	COMMON STOCK ISSUED	$ 556,294,495	$ 551,080,780	$ 520,600,360	$ 502,864,435	$ 406,852,985
37	PREFERRED STOCK ISSUED	754,868,000	754,868,800	799,168,600	646,720,300	584,333,000
38	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
39	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
40	PREMIUM ON CAPITAL STOCK	996,968,474	998,016,528	962,892,136	919,776,520	723,259,670
41	OTHER PAID-IN CAPITAL	3,637,299	3,637,299	1,333,416	1,084,427	512,793
42	INSTALLMENTS REC'D ON CAPITAL STOCK	107,481	342,890	337,245	443,061	467,871
43	CAPITAL STOCK EXPENSE	56,118,102-	56,103,001-	56,278,151-	50,334,877-	42,107,325-
44	RETAINED EARNINGS	1,480,471,867	956,192,008	579,961,235	501,680,906	439,209,440
45	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	172,471	184,293	153,997	125,128	76,082
46	REACQUIRED CAPITAL STOCK	7,653,963-	505,284-	1,771,600-	-	568,980-
47	TOTAL PROPRIETARY CAPITAL	3,727,768,012	3,205,674,313	2,806,397,238	2,522,359,900	2,112,035,536
48	BONDS (LESS BONDS REACQUIRED)	2,141,000,000	1,837,500,000	1,716,000,000	1,643,000,000	1,515,000,000
49	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
50	OTHER LONG-TERM DEBT	1,292,095,003	1,296,104,661	1,345,151,764	665,164,241	502,320,084
51	NET UNAMORTIZED PREMIUM + DISCOUNT	9,414,094-	9,658,157-	8,197,924-	5,604,200-	2,348,965-
52	TOTAL LONG-TERM DEBT	3,423,680,909	3,123,946,504	3,052,953,840	2,302,560,041	2,014,971,119
53	NOTES PAYABLE	-	-	-	-	-
54	ACCOUNTS PAYABLE	102,166,095	120,943,807	111,937,957	147,674,248	122,486,408
55	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
56	CUSTOMER DEPOSITS	14,013,590	12,761,596	12,230,663	10,865,230	9,768,577
57	TAXES ACCRUED	20,100,409	124,131,381	54,620,653	56,665,537	28,525,609
58	INTEREST ACCRUED	59,618,325	59,579,666	61,412,898	44,725,931	40,216,141
59	DIVIDENDS DECLARED	-	-	67,488,118	60,428,695	46,103,619
60	TAX COLLECTIONS PAYABLE	4,174,097	4,594,247	4,470,561	3,934,716	4,137,189
61	OTHER CURRENT AND ACCRUED LIABILITIES	45,267,803	39,051,309	23,817,666	23,821,444	26,306,500
62	TOTAL CURRENT AND ACCRUED LIABILITIES	245,340,319	361,062,006	335,978,516	348,115,801	277,544,043
63	CUSTOMER ADVANCES FOR CONSTRUCTION	4,428,284	3,364,718	3,021,885	2,619,722	2,162,140
64	DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-
65	ACCUM. DEFERRED INVESTMENT TAX CREDITS	289,045,446	243,908,530	143,790,116	90,795,116	59,036,116
66	OTHER DEFERRED CREDITS	183,838,163	106,482,867	71,461,297	47,454,081	3,582,604-
	ACCUMULATED DEFERRED INCOME TAXES,					
67	ACCELERATED AMORTIZATION	1,313,530	1,744,440	2,175,420	2,606,400	3,037,380
68	LIBERALIZED DEPRECIATION	38,516,513	28,938,127	20,908,819	17,393,431	15,969,913
69	OTHER	30,229,919	10,821,005	6,199,517	9,991,067	36,263,460
70	TOTAL DEFERRED CREDITS	548,371,836	395,259,687	247,557,054	170,859,817	112,886,405
71	PROPERTY INSURANCE RESERVE	-	-	925,926	925,926	500,000
72	INJURIES AND DAMAGE RESERVE	8,456,239	7,121,867	6,437,577	7,336,675	5,465,692
73	PENSION AND BENEFITS RESERVE	2,097,539	1,679,971	1,232,996	720,000	-
74	MISCELLANEOUS OPERATING RESERVES	1,220,243-	10,196,091	2,010,046-	3,133,549-	2,033,239-
75	TOTAL OPERATING RESERVES	9,333,535	18,997,929	6,586,453	5,849,052	3,932,453
76	TOTAL LIABILITIES AND OTHER CREDITS	$ 7,954,494,610	$ 7,102,938,439	$ 6,449,473,101	$ 5,349,724,611	$ 4,521,369,556

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS
LONG ISLAND LIGHTING COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO.
			COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS			
ELECTRIC UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 1,679,391,113	$ 1,613,699,657	$ 1,436,385,072	$ 1,321,317,154	$ 1,403,561,783	1
OPERATION AND MAINTENANCE EXPENSE	814,083,487	873,608,384	880,843,264	794,635,117	897,304,745	2
DEPRECIATION EXPENSE	58,511,048	57,198,207	55,648,543	54,202,702	53,108,784	3
AMORTIZATION	16,975,440	5,658,480	-	-	-	4
TAXES OTHER THAN INCOME TAXES	224,376,077	213,691,217	201,841,488	173,808,343	167,535,128	5
INCOME TAXES	50,457,924	94,209,286	42,587,263	43,326,233	30,028,248	6
PROVISION FOR DEFERRED INCOME TAXES	155,586,303	91,232,848	47,886,272	38,852,001	54,225,313	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	12,478,513	3,304,377-	3,007,411-	2,619,373-	4,924,198-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	475,584	454,239	9
GAINS FROM DISPOSITION OF UTILITY PLT	1,413-	-	-	4,765-	1,980-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	1,332,475,359	1,332,294,012	1,195,799,419	1,100,675,842	1,197,730,279	12
NET OPERATING REVENUES	346,915,754	281,405,645	240,585,653	220,641,312	205,831,504	13
INC. FROM LSD. PLT. & OTHER OPER. INC	-	-	-	-	-	14
ELECTRIC UTILITY OPERATING INCOME	346,915,754	281,405,645	240,585,653	220,641,312	205,831,504	15
OTHER UTILITY OPERATING INCOME	41,224,184	32,454,022	28,962,172	27,134,553	22,204,753	16
TOTAL UTILITY OPERATING INCOME	388,139,938	313,859,667	269,547,825	247,775,865	228,036,257	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	38,691-	81,143	119,210-	191,842-	99,254-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	67,238	1,909-	14,988-	31,375-	20,985-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	66,504	68,621	87,194	84,041	15,536-	21
INTEREST AND DIVIDEND INCOME	2,414,817	20,993,947	12,892,725	6,575,347	5,400,138	22
ALLOWANCE FOR CONSTRUCTION FUNDS	378,239,590	310,120,981	284,841,162	201,376,733	148,008,187	23
MISCELLANEOUS NONOPERATING INCOME	39,766-	39,938-	69,658-	71,683-	53,313-	24
GAIN ON DISPOSITION OF PROPERTY	13,120	-	22,567	289,493	123,673	25
TOTAL OTHER INCOME	380,722,810	331,222,845	297,639,794	208,030,734	153,340,910	26
TOTAL INCOME	768,862,748	645,082,512	567,187,619	455,806,599	381,377,167	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	353,495	3,758,779-	148,331-	88,725-	371,989-	28
INCOME TAXES-NONOPERATING	85,049,531-	81,003,124-	31,511,016-	39,915,045-	26,579,269-	29
LOSS ON DISPOSITION OF PROPERTY	6,486	-	54	8,977	-	30
MISCELLANEOUS AMORTIZATION	-	539,289	1,177,407	1,177,407	1,177,407	31
MISCELLANEOUS INCOME DEDUCTIONS	2,727,274	13,494,787	3,283,747	2,869,185	942,876	32
TOTAL INCOME DEDUCTIONS	81,962,277-	70,667,827-	27,198,139-	35,948,201-	24,830,975-	33
INCOME BEFORE INTEREST CHARGES	850,825,025	715,750,339	594,385,758	491,754,800	406,208,142	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	310,975,697	275,978,832	214,952,213	170,574,406	134,173,882	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	11,257,645	5,825,519	2,126,276	1,805,826	1,367,622	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	115,692-	127,038-	129,173-	131,298-	131,813-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	4,419,348	6,285,120	12,462,783	10,112,284	23,065,900	39
TOTAL INTEREST CHARGES	326,536,998	287,962,433	229,412,099	182,361,218	158,475,591	40
INCOME BEFORE EXTRAORDINARY ITEMS	524,288,027	427,787,906	364,973,659	309,393,582	247,732,551	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 524,288,027	$ 427,787,906	$ 364,973,659	$ 309,393,582	$ 247,732,551	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 956,192,008	$ 579,981,235	$ 501,880,906	$ 439,209,440	$ 390,986,099	47
BALANCE TRANSFERRED FROM INCOME	524,279,849	427,777,810	364,944,790	309,344,537	247,783,081	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	-	51,545,380	78,998,038	60,008,989	49,288,212	50
-COMMON STOCK	-	258	207,628,164	188,864,102	150,270,330	51
ADJUSTMENTS TO RETAINED EARNINGS	-	1,199-	38,259-	-	1,198-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	1,480,471,857	956,192,008	579,981,235	501,880,906	439,209,440	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	172,471	164,293	153,997	125,128	76,082	55
TOTAL RETAINED EARNINGS, END OF YEAR	$ 1,480,644,328	$ 956,356,301	$ 580,115,232	$ 501,806,034	$ 439,285,522	56
			SELECTED BALANCE SHEET RELATIONSHIPS			
ELEC. UTILITY PLANT/DOLLAR OF ELEC REVENUE	4.30	3.95	3.85	3.54	2.83	57
OTHER UTILITY PLANT/DOLLAR OTHER REVENUE	1.13	0.97	1.01	1.10	1.23	58
TOTAL UTILITY PLANT/DOLLAR TOTAL REVENUE	3.65	3.28	3.17	2.98	2.53	59
CURRENT ASSETS / BY CURRENT LIABILITIES	1.69	1.18	1.75	1.04	1.30	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	47.8	49.3	52.1	47.7	48.8	61
PREFERRED STOCK	10.5	11.9	13.6	13.4	14.1	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	20.8	23.6	24.3	28.4	26.3	63
RETAINED EARNINGS	20.7	15.1	9.8	10.3	10.6	64
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	41.9	42.9	47.5	41.5	43.2	65
% OF NET UTILITY PLANT	46.8	48.1	53.6	47.3	49.8	66
ACCUM PROVISION FOR DEPR. % OF UTILITY PLT	10.4	10.8	11.3	12.1	13.3	67
			SELECTED INCOME ACCOUNT RELATIONSHIPS			
ELECTRIC OPERATING REVENUES % OF TOTAL OPERATING REVENUES	79.2	78.9	76.2	77.2	81.1	68
PERCENT OF ELECTRIC OPERATING REVENUES:						
ELECTRIC OPERATION AND MAINTENANCE	48.4	54.1	59.2	60.1	63.9	69
ELECTRIC DEPRECIATION AND AMORTIZATION	4.4	3.8	3.8	4.1	3.7	70
TOTAL INCOME TAXES-ELECTRIC, OPERATING	13.0	11.2	6.0	5.9	5.6	71
OTHER TAXES-ELECTRIC, OPERATING	13.3	13.2	14.0	13.1	11.9	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL ELECTRIC OPERATING EXPENSE	79.3	82.5	83.2	83.3	85.3	74
ELECTRIC OPERATING INCOME	20.6	17.4	16.7	16.6	14.6	75
ELEC. DEPR. AND AMORT % OF ELEC. UTILITY PLT	0.9	0.9	0.9	1.0	1.2	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	15.4	13.7	12.2	10.7	9.2	77
PRETAX INTEREST COVERAGE *	2.8	2.4	2.5	2.4	2.3	78
NET INCOME-PERCENT OF OPERATING REVENUES	24.7	20.3	19.3	18.0	14.3	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK: **						
PERCENT OF OPERATING REVENUES	3.3	4.1	4.1	3.5	2.8	80
TIMES EARNED	6.3	4.9	4.6	5.2	5.0	81
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	-	-	11.0	10.9	8.6	82
% OF EARNINGS AVAILABLE FOR COMMON	-	-	72.6	74.9	75.7	83
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	16.2**	15.2**	14.7	14.6	13.9	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	10.6	10.9	10.5	85

*LONG ISLAND LIGHTING COMPANY INCLUDES INTEREST ON TRUST OBLIGATIONS.

**CALCULATION ASSUMES LONG ISLAND LIGHTING COMPANY'S PREFERRED DIVIDENDS ARE ACCRUED.

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

LONG ISLAND LIGHTING COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 524,288,027	$ 427,787,908	$ 384,973,859	$ 309,393,582	$ 247,732,550
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	83,884,214	71,390,748	64,477,554	62,628,005	61,053,711
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	153,530,738	101,719,289	65,019,884	48,052,857	59,179,814
4	INTEREST CAPITALIZED	378,239,591-	310,120,980-	284,841,162-	201,378,733-	148,006,188-
5	OTHER (NET):	28,649,645	24,726,099	13,166,782	13,608,107	7,296,030
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	411,893,033	315,503,081	222,796,697	232,305,619	227,255,917
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	411,893,033	315,503,081	222,796,697	232,305,619	227,255,917
10	LESS DIVIDENDS: PREFERRED	-	51,545,379	78,998,037	60,008,969	49,288,202
11	COMMON	-	258	207,628,164	186,864,102	150,270,340
12	NET FUNDS FROM INTERNAL SOURCES	411,893,033	263,957,424	63,829,504-	14,567,452-	27,697,375
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	503,729,564	264,500,000	885,000,000	217,200,000	300,000,000
14	PREFERRED STOCK	-	-	171,768,990	76,120,614	65,398,645
15	COMMON STOCK	2,180,427-	63,584,811	54,351,541	292,528,300	161,409,416
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET):	54,292,008-	84,990,491-	175,039,568	145,692,004	87,893,715
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	447,257,121	243,094,320	1,086,160,099	731,540,918	614,701,776
20	OTHER SOURCES (NET):	1,204,313	291,479,720	37,755,984	98,271,606	35,933,616
21						
22						
23	TOTAL FUNDS PROVIDED	$ 860,354,467	$ 798,531,464	$ 1,060,086,559	$ 813,245,072	$ 678,332,767
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	ELECTRIC PLANT	$ 64,819,829	$ 44,803,222	$ 68,684,250	$ 73,120,877	$ 61,424,382
25	NUCLEAR PLANT	832,200,015	904,210,329	655,484,188	647,051,213	416,703,829
26	NUCLEAR FUEL	9,574,555	9,089,555	91,839-	79,415	22,256
27	GAS PLANT	21,200,071	12,742,450	18,557,021	22,386,672	23,627,079
28	LIQUEFIED NATURAL GAS PLANT	548,873	318,727	390,164	231,072	138,989
29	STEAM PLANT	-	-	-	-	-
30	NON-UTILITY PLANT	-	-	-	-	-
31	OTHER	27,159,893-	49,908,769-	158,652,923	145,692,004	87,893,715
32	TOTAL GROSS ADDITIONS	901,183,450	921,053,514	899,676,707	888,561,253	589,810,230
33	LESS INTEREST CAPITALIZED	378,239,591	310,120,980	284,841,162	201,376,733	148,006,188
34	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	522,943,859	610,932,534	614,835,545	687,184,520	441,804,042
	RETIREMENT OF DEBT AND SECURITIES					
35	LONG TERM DEBT	149,947,208	107,056,611	107,052,046	72,047,847	60,043,987
36	PREFERRED STOCK	800	40,729,602	14,323,300	12,612,700	9,117,230
37	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
38	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	142,221,297
39	OTHER (NET)	-	-	-	-	-
40						
41	TOTAL RETIREMENT OF DEBT AND SECURITIES	149,948,008	147,786,213	121,375,246	84,660,547	211,382,514
42	OTHER USES (NET)	187,462,602	39,812,717	323,875,668	41,400,005	25,146,211
43						
44						
45	TOTAL FUNDS APPLIED	$ 860,354,467	$ 798,531,464	$ 1,080,086,559	$ 813,245,072	$ 678,332,767

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

LONG ISLAND LIGHTING COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO.
		ELECTRIC OPERATING REVENUES				
REVENUES						
RESIDENTIAL	$ 772,861,328	$ 752,123,226	$ 674,190,516	$ 608,384,188	$ 634,378,318	1
COMMERCIAL AND INDUSTRIAL	844,636,179	796,542,942	694,038,218	639,359,789	666,077,680	2
PUBLIC STREET AND HIGHWAY LIGHTING	18,675,055	19,003,416	17,319,828	16,779,259	17,697,575	3
OTHER PUBLIC AUTHORITIES	25,755,288	23,985,547	21,137,977	19,384,274	27,745,715	4
RAILROADS AND RAILWAYS	-	-	-	-	-	5
INTERDEPARTMENTAL	424,870	303,010	417,644	802,307	842,593	6
TOTAL REVENUES FROM ULTIMATE CONSUMERS	1,662,352,720	1,591,958,141	1,407,104,183	1,284,709,817	1,346,741,881	7
RESALE	13,025,438	24,187,105	25,985,075	30,709,237	50,404,320	8
TOTAL REVENUES FROM ELECTRIC SALES	1,675,378,158	1,616,145,246	1,433,089,258	1,315,419,054	1,397,146,201	9
OTHER ELECTRIC OPERATING REVENUES	4,012,955	2,445,589-	3,275,814	5,898,100	6,415,582	10
TOTAL ELECTRIC OPERATING REVENUES	$ 1,679,391,113	$ 1,613,699,657	$ 1,436,365,072	$ 1,321,317,154	$ 1,403,561,783	11
KILOWATT-HOUR SALES (THOUSANDS)						
RESIDENTIAL	5,970,093	6,000,314	5,899,768	5,557,374	5,580,752	12
COMMERCIAL AND INDUSTRIAL	7,388,337	7,129,398	6,797,032	6,523,803	6,493,566	13
PUBLIC STREET AND HIGHWAY LIGHTING	178,206	182,237	181,431	181,560	179,804	14
OTHER PUBLIC AUTHORITIES	271,714	258,345	251,707	241,889	345,080	15
RAILROADS AND RAILWAYS	-	-	-	-	-	16
INTERDEPARTMENTAL	8,543	6,538	9,096	14,994	16,390	17
TOTAL SALES TO ULTIMATE CONSUMERS	13,796,892	13,576,830	13,139,034	12,519,621	12,615,592	18
RESALE	227,382	424,774	513,510	566,545	787,381	19
TOTAL KILOWATT-HOUR SALES	14,024,274	14,001,604	13,652,543	13,086,166	13,402,973	20
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	850,683	840,843	833,164	825,740	818,879	21
COMMERCIAL AND INDUSTRIAL	90,548	88,459	86,687	85,016	83,900	22
PUBLIC STREET AND HIGHWAY LIGHTING	4,225	4,172	4,100	4,199	4,513	23
OTHER PUBLIC AUTHORITIES	164	164	165	165	165	24
RAILROADS AND RAILWAYS	-	-	-	-	-	25
INTERDEPARTMENTAL	-	-	-	-	-	26
TOTAL ULTIMATE CONSUMERS	945,620	933,638	924,116	915,120	907,457	27
RESALE	3	3	3	4	4	28
TOTAL CUSTOMERS	945,623	933,641	924,119	915,124	907,461	29
ELECTRIC OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 908.52	$ 894.49	$ 809.19	$ 736.77	$ 774.69	30
AVERAGE KWH CONSUMPTION PER CUSTOMER	7,018	7,136	7,081	6,730	6,815	31
AVERAGE REVENUE PER KWH SOLD (CENTS)	12.95	12.53	11.43	10.95	11.37	32
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	9,328.05 $	9,004.66 $	8,008.25 $	7,520.46 $	7,938.95	33
AVERAGE KWH CONSUMPTION PER CUSTOMER	81,375	80,595	78,409	76,736	77,397	34
AVERAGE REVENUE PER KWH SOLD (CENTS)	11.48	11.17	10.21	9.80	10.26	35
		ELECTRIC OPERATION AND MAINTENANCE EXPENSES				
POWER PRODUCTION EXPENSES						
STEAM POWER						
FUEL	$ 497,823,276	$ 552,577,713	$ 503,064,680	$ 491,081,115	$ 572,994,045	36
OTHER	41,013,270	35,349,140	40,840,472	41,594,379	40,657,609	37
TOTAL STEAM POWER EXPENSES	538,836,546	587,926,853	543,905,152	532,675,494	613,651,654	38
NUCLEAR POWER						
FUEL	-	-	-	-	-	39
OTHER	-	-	-	-	-	40
TOTAL NUCLEAR POWER EXPENSES	-	-	-	-	-	41
HYDRAULIC POWER						
WATER FOR POWER	-	-	-	-	-	42
OTHER	-	-	-	-	-	43
TOTAL HYDRAULIC POWER EXPENSES	-	-	-	-	-	44
OTHER POWER GENERATION						
FUEL	16,761,118	16,285,582	13,784,155	10,320,460	15,260,073	45
OTHER	5,826,880	5,816,713	5,543,631	3,820,528	4,739,725	46
TOTAL OTHER POWER GENERATION EXPENSE	22,587,998	22,104,295	19,327,786	14,140,988	19,999,798	47
OTHER POWER SUPPLY EXPENSES						
PURCHASED POWER	113,090,171	122,207,517	127,027,974	105,422,578	130,340,912	48
OTHER	2,074,755	2,058,720	1,607,469	1,287,478	1,529,768	49
TOTAL OTHER POWER SUPPLY EXPENSES	115,164,926	124,266,237	128,635,443	106,710,056	131,870,680	50
TOTAL POWER PRODUCTION EXPENSES	676,589,468	734,297,385	691,868,381	653,526,538	765,522,132	51
TRANSMISSION EXPENSES	13,934,425	11,093,572	14,336,629	11,278,553	10,888,399	52
DISTRIBUTION EXPENSES	39,336,791	38,431,702	40,413,535	40,070,121	37,339,217	53
CUSTOMER ACCOUNTS EXPENSES	29,051,016	27,443,643	29,981,775	27,790,273	27,398,267	54
SALES EXPENSES	1,509,514	4,278,626	7,526,984	4,988,758	4,108,325	55
ADMINISTRATIVE AND GENERAL	53,672,247	60,083,436	66,715,960	56,980,874	52,048,405	56
TOTAL ELECTRIC OPERATION/MAINTENANCE EXPENSES	$ 814,093,467	$ 873,608,364	$ 850,843,264	$ 794,635,117	$ 897,304,745	57
		ELECTRIC UTILITY PLANT*				
ELECTRIC UTILITY PLANT						
ELECTRIC PLANT IN SERVICE						
INTANGIBLE PLANT	-	-	-	-	-	58
PRODUCTION PLANT						
STEAM	601,815,077	599,828,947	592,421,554	584,757,759	585,692,700	59
NUCLEAR	-	-	-	-	-	60
HYDRAULIC	-	-	-	-	-	61
OTHER	116,980,889	116,964,910	118,200,118	117,781,955	117,566,872	62
TRANSMISSION PLANT	392,160,214	384,130,332	358,381,369	348,126,207	343,892,000	63
DISTRIBUTION PLANT	726,812,446	706,609,534	686,286,544	653,875,667	619,364,387	64
GENERAL PLANT	38,802,122	33,889,902	33,083,366	32,150,568	26,748,208	65
ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-	66
EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-	67
NUCLEAR FUEL ASSEMBLIES	189,625,980	167,384,912	155,665,202	139,029,347	111,633,440	68
TOTAL ELECTRIC PLANT IN SERVICE	2,083,996,690	1,988,808,537	1,943,998,153	1,875,721,503	1,804,917,607	69
PLANT LEASED TO OTHERS	-	-	-	-	-	70
PLANT HELD FOR FUTURE USE	8,904,687	10,157,897	10,157,897	11,713,797	11,748,797	71
CONSTRUCTION WORK IN PROGRESS	5,564,466,706	4,795,829,698	4,004,747,381	3,207,669,383	2,430,559,875	72
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	73
TOTAL ELECTRIC UTILITY PLANT	7,657,368,083	6,794,794,131	5,958,903,431	5,095,104,683	4,247,226,279	74
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	698,348,824	644,491,356	593,540,712	546,966,625	503,308,910	75
NET ELECTRIC UTILITY PLANT	$ 6,959,019,259	$ 6,150,302,775	$ 5,365,362,719	$ 4,548,138,038	$ 3,743,917,369	76
PLANT IN SERVICE BEGINNING OF YEAR	$ 1,988,808,537	$ 1,943,998,153	$ 1,875,721,503	$ 1,804,917,607	$ 1,752,414,114	77
ADDITIONS	79,842,947	61,258,254	75,822,684	81,701,792	99,330,312	78
RETIREMENTS	4,652,794	6,051,041	8,975,658	11,004,111	18,442,254	79
TRANSFERS AND ADJUSTMENTS	-	10,398,829-	1,429,644	106,215	28,384,565-	80
PLANT IN SERVICE END OF YEAR	$ 2,083 196,690	$ 1,988,808,536	$ 1,943,998,153	$ 1,875,721,503	$ 1,804,917,607	81

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS

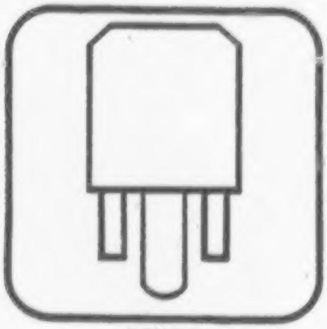
YEARS ENDED DECEMBER 31

LONG ISLAND LIGHTING COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES - ULTIMATE CONSUMERS	$ 1,668,365,675	$ 1,589,512,552	$ 1,410,379,997	$ 1,290,607,917	$ 1,353,157,463
2	SALES-ULTIMATE CONSUMERS (000 KWH)	13,796,892	13,576,829	13,139,033	12,519,620	12,615,592
				DOLLAR AMOUNTS		
3	FUEL AND PURCHASED POWER	$ 618,384,862	$ 671,460,009	$ 621,547,694	$ 583,470,980	$ 681,382,245
4	WAGES AND BENEFITS	95,836,970	105,028,420	111,561,435	104,978,425	96,198,671
5	OTHER OPERATION AND MAINTENANCE EXPENSES	90,353,139	77,084,359	94,891,511	82,281,229	81,721,663
6	DEPRECIATION AND AMORTIZATION EXPENSES	75,486,488	62,856,687	55,648,543	54,202,702	53,106,784
7	INCOME TAXES - OPERATING	218,520,740	182,137,743	87,466,124	78,034,445	79,783,602
8	OTHER TAXES - OPERATING	224,376,077	213,891,217	201,841,488	173,808,343	167,535,128
9	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS**	158,698,569	114,901,338	103,653,466	90,998,290	86,769,377
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	32,750,134***	35,615,468***	29,984,167	26,131,566	23,629,665
11	EARNINGS AVAILABLE FOR COMMON EQUITY	151,980,696	126,736,311	103,785,567	96,721,937	83,028,288
12	TOTAL	$ 1,668,365,675	$ 1,589,512,552	$ 1,410,379,997	$ 1,290,607,917	$ 1,353,157,463
				PERCENT OF REVENUES - ULTIMATE CONSUMERS		
13	FUEL AND PURCHASED POWER	37.1	42.2	44.1	45.2	50.4
14	WAGES AND BENEFITS	5.8	6.6	7.9	8.1	7.1
15	OTHER OPERATION AND MAINTENANCE EXPENSES	5.4	4.8	6.7	6.4	6.0
16	DEPRECIATION AND AMORTIZATION EXPENSES	4.5	4.0	3.9	4.2	3.9
17	INCOME TAXES - OPERATING	13.1	11.5	6.2	6.0	5.9
18	OTHER TAXES - OPERATING	13.5	13.4	14.3	13.5	12.4
19	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS**	9.5	7.2	7.3	7.1	6.4
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	2.0***	2.2***	2.1	2.0	1.7
21	EARNINGS AVAILABLE FOR COMMON EQUITY	9.1	8.0	7.4	7.5	6.1
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER KWH		
23	FUEL AND PURCHASED POWER	4.48	4.95	4.73	4.66	5.40
24	WAGES AND BENEFITS	0.69	0.77	0.85	0.84	0.76
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.66	0.57	0.72	0.66	0.65
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.55	0.46	0.42	0.43	0.42
27	INCOME TAXES - OPERATING	1.58	1.34	0.67	0.62	0.63
28	OTHER TAXES - OPERATING	1.63	1.57	1.54	1.39	1.33
29	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS**	1.15	0.85	0.79	0.73	0.69
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.24***	0.26***	0.23	0.21	0.19
31	EARNINGS AVAILABLE FOR COMMON EQUITY	1.10	0.93	0.79	0.77	0.66
32	TOTAL	12.08	11.71	10.73	10.31	10.73
	* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS:	96.07	95.74	95.21	94.58	93.82

**LONG ISLAND LIGHTING COMPANY INCLUDES INTEREST ON TRUST OBLIGATIONS.

***CALCULATION ASSUMES LONG ISLAND LIGHTING COMPANY'S PREFERRED DIVIDENDS ARE ACCRUED.



POWER

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE BALANCE SHEETS, YEARS ENDED DECEMBER 31

NEW YORK STATE ELECTRIC & GAS CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 3,925,477,016	$ 3,662,914,391	$ 3,250,399,868	$ 2,745,027,810	$ 2,208,278,284
2	ACCUM. PROVISION FOR DEPR. AND AMORT	620,151,836	554,134,960	504,171,691	471,555,646	438,512,165
3	NET ELECTRIC UTILITY PLANT	3,305,325,180	3,108,779,431	2,746,228,177	2,273,472,164	1,769,766,119
4	OTHER UTILITY PLANT	227,168,745	207,894,690	191,187,221	188,220,361	182,433,675
5	ACCUM. PROVISION FOR DEPR. AND AMORT	68,133,811	63,773,310	58,946,367	54,915,287	51,066,669
6	NET OTHER UTILITY PLANT	159,034,934	144,121,380	132,240,854	133,305,074	131,367,006
7	TOTAL UTILITY PLANT	4,152,645,761	3,870,809,081	3,441,587,089	2,933,248,171	2,390,711,959
8	ACCUM. PROVISION FOR DEPR. AND AMORT	688,285,647	617,908,270	563,118,058	526,470,933	489,578,834
9	NET TOTAL UTILITY PLANT	3,464,360,114	3,252,900,811	2,878,469,031	2,406,777,238	1,901,133,125
10	NONUTILITY PROPERTY LESS ACCUM. PROVISION FOR DEPRECIATION AND AMORTIZATION	3,111,851	3,122,221	3,531,070	3,508,710	3,269,927
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	212,000	212,000	212,000	212,000	200,000
13	OTHER INVESTMENTS	7,790,000	13,890,000	14,140,000	15,590,000	16,590,000
14	SPECIAL FUNDS	284,502	272,814	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	11,398,353	17,497,035	17,883,070	19,310,710	20,059,927
16	CASH	5,999,107-	6,892,778-	4,185,384	5,513,576	6,178,852
17	SPECIAL DEPOSITS	13,598,507	70,192,118	10,245,854	32,721,930	6,198,345
18	WORKING FUNDS	5,020,153	808,342	1,841,077	2,098,707	1,031,856
19	TEMPORARY CASH INVESTMENTS	8,900,000	10,300,000	-	-	-
20	NOTES + ACCOUNTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	116,240,072	114,588,322	93,087,392	80,099,941	80,188,954
21	RECEIVABLES FROM ASSOCIATED COMPANIES	110,780	71,872	83,817	-	-
22	MATERIALS AND SUPPLIES	95,798,725	98,758,149	66,904,705	64,019,122	67,088,925
23	PREPAYMENTS	20,180,988	20,033,847	17,090,866	13,004,185	12,079,297
24	OTHER CURRENT AND ACCRUED ASSETS	1,119,252	2,934,516	844,021	2,847,440	844,641
25	TOTAL CURRENT AND ACCRUED ASSETS	254,548,294	310,795,387	194,843,015	209,305,961	183,585,471
26	UNAMORTIZED DEBT EXPENSE	60,525,860	28,012,922	22,748,892	12,792,298	7,915,882
27	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
28	PREL. SURVEY + INVESTIGATION CHARGES	1,324,486	2,287,221	2,970,729	3,187,773	2,926,646
29	CLEARING ACCOUNTS	38,248-	505,507-	799,600	29,250	317,156
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	183,880-	27,383	383,830-	531,444-	9,441-
32	ACCUMULATED DEFERRED INCOME TAXES	15,200,987	22,080,677	10,082,080	12,790,385	6,092,109
33	OTHER DEFERRED DEBITS	109,256,294	40,886,294	15,302,676	38,698,200	26,298,762
34	TOTAL DEFERRED DEBITS	186,084,252	90,756,000	51,520,130	66,966,462	43,539,113
35	TOTAL ASSETS AND OTHER DEBITS	$ 3,916,371,023	$ 3,671,948,233	$ 3,142,715,248	$ 2,702,380,401	$ 2,128,297,837
	LIABILITIES AND OTHER CREDITS					
36	COMMON STOCK ISSUED	$ 380,046,582	$ 347,182,738	$ 323,344,778	$ 264,592,389	$ 217,498,385
37	PREFERRED STOCK ISSUED	252,820,000	277,300,000	278,960,000	236,075,000	246,812,500
38	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
39	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
40	PREMIUM ON CAPITAL STOCK	480,340,216	447,719,373	408,471,585	283,850,783	211,759,204
41	OTHER PAID-IN CAPITAL	29,340,985	29,480,961	29,480,273	29,408,747	29,482,342
42	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
43	CAPITAL STOCK EXPENSE	6,173,925-	8,283,298-	6,165,963-	6,722,744-	6,495,197-
44	RETAINED EARNINGS	469,881,779	418,472,383	352,524,176	317,464,842	270,464,490
45	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-
46	REACQUIRED CAPITAL STOCK	-	-	-	-	-
47	TOTAL PROPRIETARY CAPITAL	1,583,860,637	1,511,861,177	1,382,604,828	1,124,669,017	969,521,724
48	BONDS (LESS BONDS REACQUIRED)	1,274,460,000	1,236,134,000	1,060,940,000	955,061,000	844,147,000
49	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
50	OTHER LONG-TERM DEBT	481,741,631	404,902,154	222,125,000	126,575,000	18,575,000
51	NET UNAMORTIZED PREMIUM + DISCOUNT	1,615,196-	1,952,077-	983,744-	497,454-	676,263
52	TOTAL LONG-TERM DEBT	1,754,606,435	1,639,084,077	1,282,081,256	1,081,138,546	863,398,263
53	NOTES PAYABLE	118,300,000	80,100,000	97,750,000	98,660,000	35,000,000
54	ACCOUNTS PAYABLE	75,651,462	104,288,625	131,926,074	192,053,763	77,960,279
55	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
56	CUSTOMER DEPOSITS	3,330,953	2,846,678	2,488,420	2,348,893	2,300,038
57	TAXES ACCRUED	5,045,133	9,895,798	6,051,953	12,046,918	16,570,019
58	INTEREST ACCRUED	51,949,517	53,418,781	34,589,042	32,950,646	20,980,434
59	DIVIDENDS DECLARED	8,090,101	6,816,190	6,752,088	5,528,008	4,895,798
60	TAX COLLECTIONS PAYABLE	1,909,114	2,989,802	2,200,247	1,951,013	2,008,479
61	OTHER CURRENT AND ACCRUED LIABILITIES	43,357,953	40,811,316	35,128,440	41,111,080	40,821,036
62	TOTAL CURRENT AND ACCRUED LIABILITIES	308,643,323	280,805,100	317,283,251	344,238,682	200,103,054
63	CUSTOMER ADVANCES FOR CONSTRUCTION	5,169,000	4,444,024	1,087,231	1,090,996	815,636
64	DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-
65	ACCUM. DEFERRED INVESTMENT TAX CREDITS	75,438,080	73,711,247	51,023,498	42,180,783	33,895,051
66	OTHER DEFERRED CREDITS	16,290,546	34,831,087	12,898,774	14,389,175	4,234,812
	ACCUMULATED DEFERRED INCOME TAXES:					
67	ACCELERATED AMORTIZATION	2,129,868	2,882,417	3,284,821	3,988,751	4,819,901
68	LIBERALIZED DEPRECIATION	112,908,540	71,494,811	43,527,821	31,001,247	20,488,183
69	OTHER	80,174,024	82,954,253	48,933,759	49,951,254	31,041,013
70	TOTAL DEFERRED CREDITS	272,070,628	240,197,819	160,546,904	142,113,176	95,074,596
71	PROPERTY INSURANCE RESERVE	-	-	-	-	-
72	INJURIES AND DAMAGE RESERVE	200,000	200,000	200,000	200,000	200,000
73	PENSION AND BENEFITS RESERVE	-	-	-	-	-
74	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
75	TOTAL OPERATING RESERVES	200,000	200,000	200,000	200,000	200,000
76	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,916,371,023	$ 3,671,948,233	$ 3,142,715,248	$ 2,702,380,401	$ 2,128,297,837

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

NEW YORK STATE ELECTRIC & GAS CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
	COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS					
ELECTRIC UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 1,051,578,388	$ 921,248,100	$ 785,723,373	$ 768,716,991	$ 674,740,124	1
OPERATION AND MAINTENANCE EXPENSE	539,946,863	481,848,174	420,708,597	432,077,846	380,286,212	2
DEPRECIATION EXPENSE	92,248,860	60,306,896	52,209,519	48,707,301	46,288,509	3
AMORTIZATION	1,913,919	506,287	486,424	507,694	387,534	4
TAXES OTHER THAN INCOME TAXES	97,980,257	86,856,036	75,120,302	68,915,254	60,773,446	5
INCOME TAXES	9,278,062	28,858,932	29,413,896	15,501,539	14,892,706	6
PROVISION FOR DEFERRED INCOME TAXES	84,980,774	68,575,704	44,523,163	40,135,924	31,301,354	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	9,813,642-	15,678,509-	4,827,282	5,504,174-	5,102,368-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	46,744-	213-	9,327-	4,972-	28,186-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	3,083	4,346	-	-	-	11
TOTAL OPERATING EXPENSES	816,471,283	708,391,632	617,605,587	600,336,812	538,381,210	12
NET OPERATING REVENUES	235,107,103	212,856,468	168,117,786	168,380,179	136,358,914	13
INC. FROM LSD. PLT. & OTHER OPER. INC	-	-	-	-	-	14
ELECTRIC UTILITY OPERATING INCOME	235,107,103	212,856,468	168,117,786	168,380,179	136,358,914	15
OTHER UTILITY OPERATING INCOME	11,893,156	17,801,067	5,828,027	8,120,592	8,272,196	16
TOTAL UTILITY OPERATING INCOME	247,000,259	230,657,535	173,945,813	176,500,771	144,631,110	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	20,381-	36,980-	20,040-	56,844-	27,601-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	-	-	-	-	-	21
INTEREST AND DIVIDEND INCOME	652,603	2,827,000	2,087,082	8,277,873	359,068	22
ALLOWANCE FOR CONSTRUCTION FUNDS	122,719,138	104,263,980	91,641,259	54,465,018	32,719,481	23
MISCELLANEOUS NONOPERATING INCOME	731,588-	22,408,631	428,636-	4,456,757	2,329	24
GAIN ON DISPOSITION OF PROPERTY	105,201	19,508	17,168	14,951	10,408-	25
TOTAL OTHER INCOME	122,724,702	129,483,140	93,308,831	67,180,355	33,043,487	26
TOTAL INCOME	369,724,961	360,140,675	267,254,644	243,681,126	177,674,597	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	130,728	132,812	130,381	118,284	95,951	28
INCOME TAXES-NONOPERATING	25,506,200-	33,249,000-	28,886,000-	11,448,000-	9,470,601-	29
LOSS ON DISPOSITION OF PROPERTY	73,717	15,908	25,131	-	7,285-	30
MISCELLANEOUS AMORTIZATION	1,541	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	185,782-	11,494,586	749,039	628,311	495,179	32
TOTAL INCOME DEDUCTIONS	25,565,979-	21,606,093-	25,961,439-	10,699,405-	8,886,746-	33
INCOME BEFORE INTEREST CHARGES	395,290,940	381,746,768	293,216,083	254,380,531	186,561,343	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	174,584,405	158,720,760	129,851,596	101,958,842	68,773,205	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	2,811,456	2,818,707	1,983,164	1,350,797	610,573	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	81,586-	88,375-	78,331-	76,381-	70,861-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	9,513,508	8,801,582	4,977,605	6,031,211	9,447,242	39
TOTAL INTEREST CHARGES	186,857,775	170,370,674	136,536,023	109,295,469	78,760,169	40
INCOME BEFORE EXTRAORDINARY ITEMS	208,433,165	211,376,094	156,680,060	145,085,062	107,801,174	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 208,433,165	$ 211,376,094	$ 156,680,060	$ 145,085,062	$ 107,801,174	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 418,472,383	$ 352,524,176	$ 317,464,842	$ 270,464,490	$ 238,855,649	47
BALANCE TRANSFERRED FROM INCOME	208,433,165	211,376,094	156,680,060	145,085,062	107,801,174	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	25,228,720	27,370,512	23,466,059	22,610,166	17,536,866	50
-COMMON STOCK	132,018,049	118,057,375	98,154,667	75,484,543	58,656,478	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	469,661,779	418,472,383	352,524,176	317,464,842	270,464,490	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	55
TOTAL RETAINED EARNINGS, END OF YEAR	$ 469,661,779	$ 418,472,383	$ 352,524,176	$ 317,464,842	$ 270,464,490	56
	SELECTED BALANCE SHEET RELATIONSHIPS					
ELEC. UTILITY PLANT/DOLLAR OF ELEC. REVENUE	3.61	3.75	3.52	3.22	3.08	57
OTHER UTILITY PLANT/DOLLAR OTHER REVENUE	1.14	0.96	0.91	1.00	1.13	58
TOTAL UTILITY PLANT/DOLLAR TOTAL REVENUE	3.23	3.24	3.21	2.79	2.71	59
CURRENT ASSETS / BY CURRENT LIABILITIES	0.93	1.11	0.61	0.61	0.92	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	52.5	52.0	48.1	49.2	47.1	61
PREFERRED STOCK	7.5	8.8	10.4	10.8	13.4	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	25.6	25.8	28.1	25.7	24.8	63
RETAINED EARNINGS	14.0	13.2	13.2	14.3	14.7	64
LONG-TERM DEBT % OF GROSS UTILITY PLANT	42.2	42.3	37.2	37.1	36.0	65
% OF NET UTILITY PLANT	50.6	50.3	44.5	40.3	45.4	66
ACCUM PROVISION FOR DEPR. % OF UTILITY PLT	16.5	16.8	16.3	17.9	20.5	67
	SELECTED INCOME ACCOUNT RELATIONSHIPS					
ELECTRIC OPERATING REVENUES % OF TOTAL OPERATING REVENUES	84.0	81.5	79.0	80.6	80.9	68
PERCENT OF ELECTRIC OPERATING REVENUES						
ELECTRIC OPERATION AND MAINTENANCE	51.3	52.3	53.5	56.2	57.8	69
ELECTRIC DEPRECIATION AND AMORTIZATION	8.9	6.6	6.7	6.4	6.7	70
TOTAL INCOME TAXES-ELECTRIC, OPERATING	8.0	8.8	8.7	6.5	6.1	71
OTHER TAXES-ELECTRIC, OPERATING	9.3	9.3	9.6	8.8	9.0	72
GAINS/LOSSES FROM DISP OF UTILITY PLANT	-	-	-	-	-	73
TOTAL ELECTRIC OPERATING EXPENSE	77.6	76.9	78.6	78.0	79.7	74
ELECTRIC OPERATING INCOME	22.3	23.1	21.3	21.9	20.2	75
ELEC DEPR AND AMORT % OF ELEC. UTILITY PLT	2.3	1.6	1.8	1.7	2.0	76
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	15.0	15.1	13.7	11.5	9.5	77
PRETAX INTEREST COVERAGE	2.4	2.5	2.4	2.7	2.8	78
NET INCOME-PERCENT OF OPERATING REVENUES	16.7	18.7	16.7	15.2	12.9	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	2.0	2.4	2.3	2.3	2.1	80
TIMES EARNED	8.3	7.7	6.7	6.4	6.1	81
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	10.6	10.4	9.9	7.9	7.0	82
% OF EARNINGS AVAILABLE FOR COMMON	72.0	66.1	73.6	61.6	64.9	83
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	14.2	15.7	13.3	15.2	13.2	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	10.2	10.0	9.8	9.3	8.5	85

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MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NEW YORK STATE ELECTRIC & GAS CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 208,433,165	$ 211,378,094	$ 156,680,080	$ 145,095,082	$ 107,801,174
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	119,430,384	76,856,339	70,133,001	59,887,950	55,594,043
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	93,070,230	75,762,859	34,525,323	34,431,607	25,198,199
4	INTEREST CAPITALIZED	82,534,289-	104,263,980-	91,641,259-	54,465,618-	32,719,491-
5	OTHER (NET):	-	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	338,399,460	259,731,312	169,697,125	184,949,001	155,871,925
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	338,399,460	259,731,312	169,697,125	184,949,001	155,871,925
10	LESS DIVIDENDS: PREFERRED	25,225,720	27,370,512	23,466,059	22,610,168	17,535,855
11	COMMON	132,018,049	118,057,375	98,154,667	75,484,542	58,656,478
12	NET FUNDS FROM INTERNAL SOURCES	181,155,691	114,303,425	48,076,399	86,854,291	79,679,592
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	408,000,000	374,000,000	164,350,000	336,000,000	160,000,000
14	PREFERRED STOCK	-	-	45,000,000	-	60,000,000
15	COMMON STOCK	45,493,854	65,085,768	181,375,755	119,188,035	50,608,597
16	NET INCREASE IN SHORT TERM DEBT	58,200,000	-	33,750,000	61,650,000	28,200,000
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	511,693,854	439,085,768	424,475,755	516,838,035	298,808,597
20	OTHER SOURCES (NET):	23,085,256	-	4,048,390	36,745,108	39,240,530
21						
22						
23	TOTAL FUNDS PROVIDED	$ 715,934,801	$ 553,389,191	$ 476,600,544	$ 640,435,434	$ 417,728,719
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	ELECTRIC PLANT	$ 323,127,123	$ 438,152,516	$ 517,980,326	$ 553,919,971	$ 289,727,589
25	NUCLEAR PLANT	-	-	-	-	-
26	NUCLEAR FUEL	6,154,719	2,397,024	5,124,379	565,130-	1,998,393
27	GAS PLANT	8,453,214	5,937,222	5,269,574	5,803,870	6,538,955
28	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
29	STEAM PLANT	-	-	-	-	-
30	NON-UTILITY PLANT	-	-	-	-	-
31	OTHER	-	-	-	-	-
32	TOTAL GROSS ADDITIONS	337,735,056	446,486,762	528,374,279	559,158,711	298,264,937
33	LESS INTEREST CAPITALIZED	82,534,289	104,263,980	91,641,259	54,465,618	32,719,491
34	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	255,200,767	342,222,782	436,733,020	504,693,093	265,545,446
	RETIREMENT OF DEBT AND SECURITIES					
35	LONG TERM DEBT	300,754,000	25,056,000	5,571,000	107,086,000	132,500,000
36	PREFERRED STOCK	24,680,000	1,650,000	2,125,000	10,737,500	4,737,500
37	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
38	NET DECREASE IN SHORT TERM DEBT	-	37,650,000	-	-	-
39	OTHER (NET):	-	-	-	-	-
40						
41	TOTAL RETIREMENT OF DEBT AND SECURITIES	325,434,000	64,356,000	7,696,000	117,823,500	137,237,500
42	OTHER USES (NET):	135,300,034	146,810,409	32,171,524	17,918,841	14,945,773
43						
44						
45	TOTAL FUNDS APPLIED	$ 715,934,801	$ 553,389,191	$ 476,600,544	$ 640,435,434	$ 417,728,719

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

NEW YORK STATE ELECTRIC & GAS CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO.
ELECTRIC OPERATING REVENUES						
REVENUES						
RESIDENTIAL	$ 401,344,784	$ 389,383,029	$ 335,284,285	$ 325,123,707	$ 271,334,672	1
COMMERCIAL AND INDUSTRIAL	381,742,593	351,434,928	302,544,621	292,387,883	264,281,238	2
PUBLIC STREET AND HIGHWAY LIGHTING	12,546,925	11,427,888	9,979,537	9,849,025	8,382,022	3
OTHER PUBLIC AUTHORITIES	78,183,468	74,563,182	64,337,203	61,444,779	54,851,228	4
RAILROADS AND RAILWAYS	-	-	-	-	-	5
INTERDEPARTMENTAL	1,450,524	1,375,892	1,173,012	1,263,128	1,099,584	6
TOTAL REVENUES FROM ULTIMATE CONSUMERS	858,267,324	808,188,489	713,318,758	689,868,502	599,708,723	7
RESALE	171,072,873	107,209,213	58,238,945	64,780,318	85,863,868	8
TOTAL REVENUES FROM ELECTRIC SALES	1,027,340,197	915,397,702	771,557,703	754,648,820	685,572,591	9
OTHER ELECTRIC OPERATING REVENUES	24,238,170	5,850,398	14,165,670	14,068,171	9,167,533	10
TOTAL ELECTRIC OPERATING REVENUES	$ 1,051,578,367	$ 921,248,100	$ 785,723,373	$ 768,716,991	$ 674,740,124	11
KILOWATT-HOUR SALES (THOUSANDS)						
RESIDENTIAL	4,615,080	4,574,594	4,398,282	4,412,197	4,429,341	12
COMMERCIAL AND INDUSTRIAL	5,488,575	5,443,392	5,228,423	5,113,546	5,381,088	13
PUBLIC STREET AND HIGHWAY LIGHTING	101,327	103,181	104,521	107,280	107,277	14
OTHER PUBLIC AUTHORITIES	1,179,108	1,144,370	1,108,388	1,071,527	1,087,883	15
RAILROADS AND RAILWAYS	-	-	-	-	-	16
INTERDEPARTMENTAL	21,191	21,113	20,044	21,817	22,850	17
TOTAL SALES TO ULTIMATE CONSUMERS	11,405,319	11,286,649	10,855,663	10,726,387	11,008,247	18
RESALE	5,020,598	3,158,107	1,429,338	1,827,106	1,602,594	19
TOTAL KILOWATT-HOUR SALES	16,425,917	14,444,756	12,285,001	12,553,473	12,610,841	20
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	624,751	616,053	608,684	603,904	599,117	21
COMMERCIAL AND INDUSTRIAL	64,757	63,478	62,043	60,822	59,512	22
PUBLIC STREET AND HIGHWAY LIGHTING	1,036	989	935	1,159	918	23
OTHER PUBLIC AUTHORITIES	9,100	8,896	8,790	8,746	8,758	24
RAILROADS AND RAILWAYS	-	-	-	-	-	25
INTERDEPARTMENTAL	-	-	-	-	-	26
TOTAL ULTIMATE CONSUMERS	699,644	689,414	680,852	674,631	668,305	27
RESALE	10	10	10	10	10	28
TOTAL CUSTOMERS	699,654	689,424	680,862	674,641	668,315	29
ELECTRIC OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 642.41	$ 599.61	$ 550.65	$ 538.37	$ 452.89	30
AVERAGE KWH CONSUMPTION PER CUSTOMER	7,387	7,428	7,223	7,308	7,393	31
AVERAGE REVENUE PER KWH SOLD (CENTS)	8.70	8.07	7.62	7.37	6.13	32
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 5,586.15	$ 5,538.50	$ 4,876.37	$ 4,807.27	$ 4,440.47	33
AVERAGE KWH CONSUMPTION PER CUSTOMER	84,756	85,755	84,230	84,074	90,084	34
AVERAGE REVENUE PER KWH SOLD (CENTS)	6.59	6.48	5.79	5.72	4.93	35
ELECTRIC OPERATION AND MAINTENANCE EXPENSES						
POWER PRODUCTION EXPENSES						
STEAM POWER						
FUEL	$ 280,381,787	$ 227,874,926	$ 187,120,490	$ 200,856,960	$ 177,566,071	36
OTHER	69,293,626	54,627,405	46,739,581	43,945,590	36,635,161	37
TOTAL STEAM POWER EXPENSES	349,675,413	282,502,331	233,860,071	244,802,550	214,201,232	38
NUCLEAR POWER						
FUEL	-	-	-	-	-	39
OTHER	-	-	-	-	-	40
TOTAL NUCLEAR POWER EXPENSES	-	-	-	-	-	41
HYDRAULIC POWER						
WATER FOR POWER	100	7,709	513	225	420-	42
OTHER	1,177,028	933,982	952,731	1,055,635	490,753	43
TOTAL HYDRAULIC POWER EXPENSES	1,177,128	941,691	953,244	1,055,860	490,333	44
OTHER POWER GENERATION						
FUEL	14,939	23,071	27,449	38,099	25,804	45
OTHER	18,474	32,874	32,173	25,073	32,848	46
TOTAL OTHER POWER GENERATION EXPENSE	33,413	55,945	59,622	63,172	58,652	47
OTHER POWER SUPPLY EXPENSES						
PURCHASED POWER	35,984,438	69,205,918	66,574,974	68,780,803	72,591,758	48
OTHER	2,378,778	3,798,621	2,436,007	2,357,344	2,054,257	49
TOTAL OTHER POWER SUPPLY EXPENSES	38,363,216	73,004,539	69,010,981	71,138,147	74,646,015	50
TOTAL POWER PRODUCTION EXPENSES	389,249,170	356,504,506	303,883,918	317,059,729	289,396,232	51
TRANSMISSION EXPENSES	23,450,140	16,093,162	13,381,876	13,023,289	11,308,399	52
DISTRIBUTION EXPENSES	46,119,740	42,494,379	39,111,101	38,494,975	32,286,637	53
CUSTOMER ACCOUNTS EXPENSES	18,332,530	17,898,996	16,663,120	16,632,252	13,511,388	54
SALES EXPENSES	7,054,281	6,188,145	5,255,454	4,491,748	3,749,139	55
ADMINISTRATIVE AND GENERAL	55,740,824	42,670,986	42,413,528	44,375,853	40,036,419	56
TOTAL ELECTRIC OPERATION/MAINTENANCE EXPENSES	$ 539,946,685	$ 481,848,174	$ 420,708,997	$ 432,077,846	$ 390,288,212	57
ELECTRIC UTILITY PLANT*						
ELECTRIC UTILITY PLANT						
ELECTRIC PLANT IN SERVICE						
INTANGIBLE PLANT	$ 1,499,492	$ 114,934	$ 114,935	$ 114,755	$ 114,755	58
PRODUCTION PLANT						
STEAM	1,549,856,100	1,514,351,051	538,890,008	508,411,519	476,178,922	59
NUCLEAR	-	-	-	-	-	60
HYDRAULIC	71,339,711	64,315,199	52,352,408	10,288,193	9,433,619	61
OTHER	1,147,946	1,147,946	1,147,946	1,143,526	1,452,275	62
TRANSMISSION PLANT	433,902,753	430,492,569	420,264,669	397,312,987	385,953,976	63
DISTRIBUTION PLANT	833,234,773	778,272,092	735,086,408	691,775,560	652,733,747	64
GENERAL PLANT	35,621,511	35,812,453	37,111,613	38,972,472	42,795,617	65
ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-	66
EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-	67
NUCLEAR FUEL ASSEMBLIES	-	-	-	-	-	68
TOTAL ELECTRIC PLANT IN SERVICE	2,922,701,288	2,824,506,244	1,783,917,985	1,646,017,012	1,548,646,913	69
PLANT LEASED TO OTHERS	-	-	-	-	-	70
PLANT HELD FOR FUTURE USE	8,655,987	6,272,401	5,942,597	2,486,721	2,338,642	71
CONSTRUCTION WORK IN PROGRESS	994,119,743	832,135,746	1,460,539,286	1,096,524,077	658,292,729	72
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	73
TOTAL ELECTRIC UTILITY PLANT	3,925,477,018	3,662,914,391	3,250,399,868	2,745,027,810	2,209,278,284	74
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	620,151,838	554,134,960	504,171,691	471,555,646	439,512,165	75
NET ELECTRIC UTILITY PLANT	$ 3,305,325,180	$ 3,108,779,431	$ 2,746,228,177	$ 2,273,472,164	$ 1,769,766,119	76
PLANT IN SERVICE BEGINNING OF YEAR	$ 2,824,506,244	$ 1,783,917,985	$ 1,646,017,012	$ 1,548,646,913	$ 1,463,288,073	77
ADDITIONS	117,305,508	1,053,199,092	153,383,434	110,981,981	96,404,207	78
RETIREMENTS	16,844,389	12,734,415	15,497,724	13,164,504	10,774,950	79
TRANSFERS AND ADJUSTMENTS	2,328,075-	123,582	15,263	447,378-	248,417-	80
PLANT IN SERVICE END OF YEAR	$ 2,922,701,288	$ 2,824,506,244	$ 1,783,917,985	$ 1,646,017,012	$ 1,548,646,913	81

*EXCLUDES ALLOCATION OF COMMON PLANT

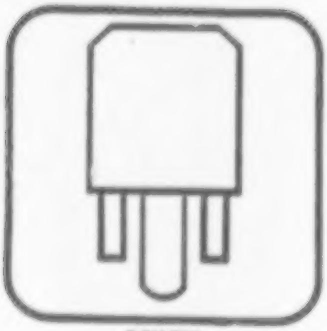
MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS

YEARS ENDED DECEMBER 31

NEW YORK STATE ELECTRIC & GAS CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES - ULTIMATE CONSUMERS	$ 880,505,493	$ 814,038,887	$ 727,464,428	$ 703,938,873	$ 608,876,256
2	SALES-ULTIMATE CONSUMERS (000 KWH)	11,408,319	11,288,849	10,855,883	10,728,388	11,008,248
				DOLLAR AMOUNTS		
3	FUEL AND PURCHASED POWER	$ 223,928,852	$ 238,875,338	$ 229,300,827	$ 235,939,815	$ 222,768,383
4	WAGES AND BENEFITS	103,901,079	93,389,194	87,142,150	80,595,481	71,024,259
5	OTHER OPERATION AND MAINTENANCE EXPENSES	114,800,071	88,117,382	78,404,781	79,974,800	67,451,981
6	DEPRECIATION AND AMORTIZATION EXPENSES	94,105,778	60,923,163	52,675,943	49,214,995	45,854,043
7	INCOME TAXES - OPERATING	84,425,218	79,756,127	69,108,887	50,133,289	41,691,692
8	OTHER TAXES - OPERATING	97,980,257	85,866,035	75,120,302	68,915,254	60,773,448
9	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	116,718,130	102,916,851	79,871,292	77,277,427	56,500,131
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	14,618,727	16,838,128	13,081,895	15,385,780	13,090,080
11	EARNINGS AVAILABLE FOR COMMON EQUITY	30,172,273	47,385,870	42,797,791	46,520,032	29,924,279
12	TOTAL	$ 880,505,493	$ 814,038,887	$ 727,464,428	$ 703,938,873	$ 608,876,256
			PERCENT OF REVENUES - ULTIMATE CONSUMERS			
13	FUEL AND PURCHASED POWER	25.4	29.3	31.5	33.5	36.6
14	WAGES AND BENEFITS	11.8	11.5	12.0	11.4	11.7
15	OTHER OPERATION AND MAINTENANCE EXPENSES	13.0	10.8	10.8	11.4	11.1
16	DEPRECIATION AND AMORTIZATION EXPENSES	10.7	7.5	7.2	7.0	7.5
17	INCOME TAXES - OPERATING	9.6	9.8	9.5	7.1	6.8
18	OTHER TAXES - OPERATING	11.1	10.5	10.3	9.8	10.0
19	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	13.3	12.6	11.0	11.0	9.3
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1.7	2.1	1.8	2.2	2.1
21	EARNINGS AVAILABLE FOR COMMON EQUITY	3.4	5.8	5.9	6.6	4.9
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER KWH		
23	FUEL AND PURCHASED POWER	1.96	2.12	2.11	2.20	2.02
24	WAGES AND BENEFITS	0.91	0.83	0.80	0.75	0.65
25	OTHER OPERATION AND MAINTENANCE EXPENSES	1.00	0.78	0.72	0.75	0.61
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.82	0.54	0.49	0.46	0.41
27	INCOME TAXES - OPERATING	0.74	0.71	0.64	0.47	0.38
28	OTHER TAXES - OPERATING	0.86	0.76	0.69	0.64	0.55
29	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	1.02	0.91	0.74	0.72	0.51
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.13	0.15	0.12	0.14	0.12
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.26	0.42	0.39	0.43	0.27
32	TOTAL	7.72	7.21	6.70	6.56	5.53
	* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	95.95	95.91	95.58	95.95	94.95



POWER

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE BALANCE SHEETS YEARS ENDED DECEMBER 31

NIAGARA MOHAWK POWER CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 6,957,787,841	$ 6,226,622,200	$ 5,536,254,012	$ 4,930,543,574	$ 4,436,814,338
2	ACCUM. PROVISION FOR DEPR. AND AMORT	1,453,576,676	1,335,826,651	1,374,422,446	1,284,134,564	1,209,698,289
3	NET ELECTRIC UTILITY PLANT	5,504,211,165	4,890,795,549	4,161,831,566	3,646,409,010	3,227,116,049
4	OTHER UTILITY PLANT	648,544,645	644,941,376	579,405,624	545,319,666	509,474,597
5	ACCUM. PROVISION FOR DEPR. AND AMORT	164,071,225	153,700,053	143,364,948	136,538,596	125,752,558
6	NET OTHER UTILITY PLANT	484,473,420	491,241,323	436,040,676	408,781,070	383,722,039
7	TOTAL UTILITY PLANT	7,606,332,486	6,871,563,576	6,115,659,636	5,475,863,240	4,946,288,935
8	ACCUM. PROVISION FOR DEPR. AND AMORT	1,617,647,901	1,489,526,704	1,517,787,394	1,420,673,160	1,335,450,847
9	NET TOTAL UTILITY PLANT	5,988,684,585	5,382,036,872	4,597,872,242	4,055,190,080	3,610,838,088
10	NONUTILITY PROPERTY LESS ACCUM. PROVISION FOR DEPRECIATION AND AMORTIZATION	18,643,240	18,347,885	18,719,388	19,687,800	18,033,190
11	INVESTMENT IN ASSOCIATED COMPANIES	-	330,904	413,753	356,832	356,832
12	INVESTMENT IN SUBSIDIARY COMPANIES	75,604,561	72,464,080	59,057,380	50,467,178	41,976,714
13	OTHER INVESTMENTS	232,262,198	128,532,636	32,345	80,573	80,573
14	SPECIAL FUNDS	79,919,312	50,402,625	29,759,068	13,421,793	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	406,429,311	270,078,130	107,981,981	84,014,176	60,447,309
16	CASH	16,702,190	21,879,023	21,949,645	10,582,784	5,295,338
17	SPECIAL DEPOSITS	151,619	150,643	60,149	624,480	95,451
18	WORKING FUNDS	23,686,821	1,738,060	6,871,099	6,422,156	1,313,667
19	TEMPORARY CASH INVESTMENTS	246,817	8,271,660	-	-	-
20	NOTES + ACCOUNTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	279,012,609	276,129,430	273,643,434	229,204,072	199,227,829
21	RECEIVABLES FROM ASSOCIATED COMPANIES	323,730	287,743	228,668	499,343	892,985
22	MATERIALS AND SUPPLIES	129,453,709	158,083,828	151,700,407	195,670,307	200,321,204
23	PREPAYMENTS	16,956,242	10,702,058	12,984,119	7,028,041	7,148,887
24	OTHER CURRENT AND ACCRUED ASSETS	7,187,325	8,889,378	4,353,409	3,274,323	2,866,985
25	TOTAL CURRENT AND ACCRUED ASSETS	474,329,068	482,080,941	472,130,127	453,315,514	413,912,547
26	UNAMORTIZED DEBT EXPENSE	64,041,760	52,381,070	21,784,007	21,843,611	16,028,211
27	EXTRAORDINARY PROPERTY LOSSES	1,708,786	10,807,942	14,874,848	21,232,708	-
28	PREL. SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
29	CLEARING ACCOUNTS	24,976	28,844	18,127	17,284	42,918
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	1,281,617-	1,882,429	9,293,647	4,671,745	4,915,080
32	ACCUMULATED DEFERRED INCOME TAXES	15,674,000	54,178,000	56,919,000	73,383,000	58,169,000
33	OTHER DEFERRED DEBITS	81,189,238	34,100,300	66,112,536	83,436,951	58,541,914
34	TOTAL DEFERRED DEBITS	161,257,164	153,388,585	168,962,364	204,585,470	137,689,024
35	TOTAL ASSETS AND OTHER DEBITS	$ 7,030,697,092	$ 6,287,594,528	$ 5,346,976,714	$ 4,797,115,240	$ 4,222,896,958
	LIABILITIES AND OTHER CREDITS					
36	COMMON STOCK ISSUED	$ 129,929,340	$ 118,848,974	$ 104,010,000	$ 93,832,151	$ 83,073,252
37	PREFERRED STOCK ISSUED	882,900,000	828,860,000	502,800,000	484,750,000	474,200,000
38	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
39	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
40	PREMIUM ON CAPITAL STOCK	1,210,465,635	1,036,273,337	858,468,451	697,394,141	592,068,219
41	OTHER PAID-IN CAPITAL	384,222,230	330,744,070	333,744,070	333,744,079	333,744,513
42	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
43	CAPITAL STOCK EXPENSE	14,447,467-	12,970,848-	11,733,534-	10,343,702-	10,500,505-
44	RETAINED EARNINGS	781,964,610	[illegible]2,224,909	617,815,562	564,460,903	471,635,771
45	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	90,180,586	40,237,076	22,666,380	7,553,511	17,120,712
46	REACQUIRED CAPITAL STOCK	-	1,340,000-	2,376,000-	2,008,050-	2,002,000-
47	TOTAL PROPRIETARY CAPITAL	3,102,182,346	2,842,856,223	2,525,610,969	2,163,392,085	1,930,131,962
48	BONDS (LESS BONDS REACQUIRED)	2,129,751,000	2,069,996,000	1,779,330,000	1,744,185,000	1,418,283,000
49	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
50	OTHER LONG-TERM DEBT	570,127,672	377,073,035	236,300,000	154,800,000	198,800,000
51	NET UNAMORTIZED PREMIUM + DISCOUNT	1,548,166	1,981,375	1,834,832	2,733,373	4,727,289
52	TOTAL LONG-TERM DEBT	2,701,426,838	2,449,050,410	2,017,464,832	1,901,718,373	1,622,010,289
53	NOTES PAYABLE	5,000,000	51,060,000	80,100,000	92,007,000	123,330,000
54	ACCOUNTS PAYABLE	214,934,886	196,383,636	197,075,539	[illegible]	177,922,458
55	PAYABLES TO ASSOCIATED COMPANIES	2,458,434	2,712,276	1,553,438	1,469,589	878,571
56	CUSTOMER DEPOSITS	7,740,686	6,581,721	5,846,461	4,980,969	4,701,698
57	TAXES ACCRUED	8,257,947	22,623,886	12,573,495	19,270,546	22,099,195
58	INTEREST ACCRUED	76,276,750	66,280,373	46,621,630	47,180,138	36,358,099
59	DIVIDENDS DECLARED	-	700-	-	-	-
60	TAX COLLECTIONS PAYABLE	8,112,136	8,287,384	6,670,882	8,330,773	7,180,195
61	OTHER CURRENT AND ACCRUED LIABILITIES	176,232,371	98,827,757	108,562,887	78,684,384	83,919,631
62	TOTAL CURRENT AND ACCRUED LIABILITIES	494,860,176	455,028,213	460,785,941	445,885,174	456,370,245
63	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	-	-
64	DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-
65	ACCUM. DEFERRED INVESTMENT TAX CREDITS	210,198,000	182,891,000	129,498,000	73,959,000	64,931,000
66	OTHER DEFERRED CREDITS	160,976,601	111,249,682	24,376,972	34,064,581	42,812,638
	ACCUMULATED DEFERRED INCOME TAXES:					
67	ACCELERATED AMORTIZATION	4,943,000	8,246,000	7,603,000	9,015,000	10,482,000
68	LIBERALIZED DEPRECIATION	221,280,000	176,786,000	124,391,000	100,466,000	70,224,000
69	OTHER	85,924,000	91,340,000	57,253,000	62,514,000	25,076,000
70	TOTAL DEFERRED CREDITS	683,204,601	630,707,682	343,111,972	280,057,581	213,525,638
71	PROPERTY INSURANCE RESERVE	-	-	-	-	-
72	INJURIES AND DAMAGE RESERVE	-	-	-	-	-
73	PENSION AND BENEFITS RESERVE	-	-	-	51,727	256,634
74	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
75	TOTAL OPERATING RESERVES	-	-	-	51,727	256,634
76	TOTAL LIABILITIES AND OTHER CREDITS	$ 7,030,697,092	$ 6,287,594,528	$ 5,346,976,714	$ 4,797,115,240	$ 4,222,896,958

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

NIAGARA MOHAWK POWER CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
	COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS					
ELECTRIC UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 2,078,134,522	$ 2,118,464,821	$ 2,008,798,002	$ 1,843,020,478	$ 1,703,093,375	1
OPERATION AND MAINTENANCE EXPENSE	1,194,851,080	1,275,649,838	1,281,930,112	1,175,903,016	1,162,190,707	2
DEPRECIATION EXPENSE	126,172,201	116,274,811	104,131,380	101,158,523	90,278,257	3
AMORTIZATION	10,700,389	11,476,124	10,318,508	7,335,249	622,183	4
TAXES OTHER THAN INCOME TAXES	228,902,577	217,098,475	206,095,136	191,308,027	172,751,628	5
INCOME TAXES	18,397,156	53,782,074	44,625,867	30,131,008	34,651,000	6
PROVISION FOR DEFERRED INCOME TAXES	156,814,000	117,233,000	90,987,815	83,143,639	45,493,255	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	18,338,000-	16,886,000-	32,619,558-	31,002,624-	36,461,660-	8
MISC. ADJUSTMENTS OF INCOME TAXES	391,239-	1,016,417	3,809,622-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	1,717,110,164	1,775,642,739	1,701,639,640	1,557,976,838	1,469,523,368	12
NET OPERATING REVENUES	361,024,358	342,822,082	307,158,362	285,043,640	233,570,007	13
INC. FROM LSD. PLT. & OTHER OPER. INC	46,583	7,189-	-	-	-	14
ELECTRIC UTILITY OPERATING INCOME	361,070,941	342,814,893	307,158,362	285,043,640	233,570,007	15
OTHER UTILITY OPERATING INCOME	43,721,003	44,312,070	42,025,792	25,766,520	33,210,834	16
TOTAL UTILITY OPERATING INCOME	404,791,944	387,126,963	349,182,154	310,810,160	266,780,841	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	35,537-	129,792-	238,022-	102,379-	115,199-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	11,580,528	9,356,690	9,876,212	11,193,464	7,201,554	21
INTEREST AND DIVIDEND INCOME	44,660,643	15,115,060	6,550,048	1,678,856	896,087	22
ALLOWANCE FOR CONSTRUCTION FUNDS	187,316,403	161,496,650	117,792,939	94,736,294	71,889,693	23
MISCELLANEOUS NONOPERATING INCOME	2,794,120	1,762,009-	3,221,927	9,447,414	9,601,870	24
GAIN ON DISPOSITION OF PROPERTY	861,266	615,351	72,752	4,430,444	20,148	25
TOTAL OTHER INCOME	247,177,422	187,891,950	139,274,856	121,384,093	89,494,153	26
TOTAL INCOME	651,969,366	575,018,913	488,457,010	432,194,253	356,274,994	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	1,201,738	963,295	641,006	673,859	785,315	28
INCOME TAXES-NONOPERATING	28,454,447-	32,521,970-	29,023,373-	23,922,600-	19,548,000-	29
LOSS ON DISPOSITION OF PROPERTY	126,276	75,605	83,985	25,384	66,573	30
MISCELLANEOUS AMORTIZATION	427,091	533,411	552,649	564,300	542,226	31
MISCELLANEOUS INCOME DEDUCTIONS	2,036,414-	9,161,777	1,924,039	6,969,732	1,898,855	32
TOTAL INCOME DEDUCTIONS	26,734,755-	21,787,882-	25,821,694-	15,699,325-	16,253,031-	33
INCOME BEFORE INTEREST CHARGES	678,704,121	596,806,795	514,278,704	447,893,578	372,528,025	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	256,834,343	221,703,684	187,761,814	155,283,815	130,274,274	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	4,312,187	3,259,586	2,122,018	1,711,891	1,400,614	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	354,673-	365,559-	380,972-	426,474-	404,673-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	1,354,840	-	-	-	38
OTHER INTEREST EXPENSE	6,482,230	11,120,490	12,366,894	22,790,209	20,613,824	39
TOTAL INTEREST CHARGES	267,274,087	237,072,941	201,869,754	179,359,441	151,884,039	40
INCOME BEFORE EXTRAORDINARY ITEMS	411,430,034	359,733,854	312,408,950	268,534,137	220,643,986	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 411,430,034	$ 359,733,854	$ 312,408,950	$ 268,534,137	$ 220,643,986	46
UNAPPROPRIATED RETAINED EARNINGS BEG.OF YR	$ 701,528,370	$ 617,117,349	$ 563,771,672	$ 470,937,538	$ 418,968,245	47
BALANCE TRANSFERRED FROM INCOME	401,486,5[illegible]	352,362,164	304,457,738	260,740,873	214,035,581	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	59,559,323	51,460,031	42,108,640	37,586,718	34,285,072	50
-COMMON STOCK	252,217,185	216,493,112	185,642,756	153,681,486	127,781,216	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	23,380,685-	23,380,685	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	791,236,386	701,528,370	617,117,349	583,771,672	470,937,538	53
APPROPRIATED RETAINED EARNINGS	698,233	698,233	698,233	698,233	698,233	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	50,180,588	40,237,078	32,865,388	1,553,511	17,120,712	55
TOTAL RETAINED EARNINGS, END OF YEAR	$ 842,115,207	$ 742,461,681	$ 650,680,970	$ 586,023,416	$ 488,756,483	56
	SELECTED BALANCE SHEET RELATIONSHIPS					
ELEC. UTILITY PLANT/DOLLAR OF ELEC REVENUE	3.17	2.78	2.81	2.54	2.49	57
OTHER UTILITY PLANT/DOLLAR OTHER REVENUE	1.08	0.94	0.92	0.99	1.14	58
TOTAL UTILITY PLANT/DOLLAR TOTAL REVENUE	2.70	2.34	2.21	2.19	2.22	59
CURRENT ASSETS / BY CURRENT LIABILITIES	0.98	1.06	1.02	1.02	0.91	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	45.9	46.2	44.4	46.7	45.6	61
PREFERRED STOCK	11.6	11.8	13.0	11.9	13.3	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	29.0	28.5	28.9	27.4	27.7	63
RETAINED EARNINGS	13.4	13.2	13.5	13.8	13.2	64
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	35.5	35.6	32.9	34.7	32.5	65
% OF NET UTILITY PLANT	45.1	45.5	43.8	46.8	44.9	66
ACCUM.PROVISION FOR DEPR.:% OF UTILITY PLT	21.2	21.6	24.8	25.9	26.9	67
	SELECTED INCOME ACCOUNT RELATIONSHIPS					
ELECTRIC OPERATING REVENUES:						
% OF TOTAL OPERATING REVENUES	77.6	76.4	76.7	77.5	79.8	68
PERCENT OF ELECTRIC OPERATING REVENUES:						
ELECTRIC OPERATION AND MAINTENANCE	57.4	60.2	63.8	63.8	68.2	69
ELECTRIC DEPRECIATION AND AMORTIZATION	6.5	6.0	5.6	5.8	5.3	70
TOTAL INCOME TAXES-ELECTRIC, OPERATING	7.5	7.3	4.9	4.4	2.5	71
OTHER TAXES-ELECTRIC, OPERATING	11.0	10.2	10.2	10.3	10.1	72
GAINS/LOSSES FROM DISP.OF UTILITY PLANT	-	-	-	-	-	73
TOTAL ELECTRIC OPERATING EXPENSES	82.6	83.8	84.7	84.5	86.2	74
ELECTRIC OPERATING INCOME	17.3	16.1	15.2	15.4	13.7	75
ELEC.DEPR.AND AMORT.% OF ELEC. UTILITY PLT	1.9	2.0	2.0	2.2	2.0	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	10.0	8.6	7.7	7.5	7.1	77
PRETAX INTEREST COVERAGE	3.1	3.1	2.9	2.9	2.6	78
NET INCOME-PERCENT OF OPERATING REVENUES	15.3	12.9	11.9	11.3	10.3	79
DIVIDEND APPROPRIATIONS,PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	2.2	1.5	1.6	1.5	1.6	80
TIMES EARNED	6.9	7.0	7.4	7.1	6.4	81
DIVIDEND APPROPRIATIONS,COMMON STOCK:						
PERCENT OF OPERATING REVENUES	9.4	7.8	7.0	6.4	5.9	82
% OF EARNINGS AVAILABLE FOR COMMON	71.6	70.2	68.6	66.5	68.5	83
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	14.9	14.8	14.9	14.7	13.5	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	10.7	10.4	10.2	9.8	9.2	85

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MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NIAGARA MOHAWK POWER CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 411,430,034	$ 359,733,854	$ 312,408,950	$ 268,534,137	$ 220,643,986
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	149,870,076	140,380,300	126,765,149	120,700,234	101,863,311
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	141,206,000	116,265,000	80,850,259	68,900,015	19,733,595
4	INTEREST CAPITALIZED	187,316,403-	161,496,650-	117,792,939-	94,736,294-	71,889,693-
5	OTHER (NET):	9,160,215	8,255,386	1,979,757	1,773,379	30,225,078
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	524,349,922	463,137,890	404,211,176	365,171,471	300,576,277
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	524,349,922	463,137,890	404,211,176	365,171,471	300,576,277
10	LESS DIVIDENDS: PREFERRED	59,559,323	51,460,031	42,108,640	37,585,718	34,286,072
11	COMMON	252,217,185	216,493,112	185,642,756	153,681,486	127,781,216
12	NET FUNDS FROM INTERNAL SOURCES	212,573,414	195,184,747	176,459,780	173,904,267	138,509,989
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	425,480,502	409,713,713	289,900,000	316,578,207	186,650,000
14	PREFERRED STOCK	75,000,000	50,000,000	120,000,000	20,000,000	58,000,000
15	COMMON STOCK	185,269,954	189,626,857	171,269,162	145,193,821	101,312,579
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	30,000
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	685,750,456	649,340,570	581,169,162	481,772,028	345,992,579
20	OTHER SOURCES (NET):	93,666,874	13,331,459	7,976,154	-	53,082,213
21						
22						
23	TOTAL FUNDS PROVIDED	$ 991,990,744	$ 857,856,776	$ 765,605,096	$ 655,676,295	$ 537,584,781
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	ELECTRIC PLANT	$ 231,348,388	$ 253,641,518	$ 251,443,883	$ 250,235,644	$ 196,291,527
25	NUCLEAR PLANT	465,857,504	466,509,365	375,331,543	278,373,152	208,747,946
26	NUCLEAR FUEL	48,560,262	23,541,866	17,087,867	30,676,614	18,716,242
27	GAS PLANT	20,911,143	41,001,891	31,872,767	32,609,895	32,941,748
28	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
29	STEAM PLANT	-	-	-	-	-
30	NON-UTILITY PLANT	-	-	-	-	-
31	OTHER	-	-	-	-	-
32	TOTAL GROSS ADDITIONS	766,677,297	784,694,640	675,736,060	591,895,305	456,697,463
33	LESS INTEREST CAPITALIZED	187,316,403	161,496,650	117,792,939	94,736,294	71,889,693
34	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	579,360,894	623,197,990	557,943,121	497,159,011	384,807,770
	RETIREMENT OF DEBT AND SECURITIES					
35	LONG TERM DEBT	178,195,000	30,732,000	173,052,000	65,428,000	140,280,000
36	PREFERRED STOCK	19,601,000	12,923,000	12,318,000	9,456,000	8,676,000
37	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
38	NET DECREASE IN SHORT TERM DEBT	46,050,000	29,050,000	11,900,000	15,000,000	-
39	OTHER (NET):	-	-	-	-	-
40						
41	TOTAL RETIREMENT OF DEBT AND SECURITIES	243,846,000	72,705,000	197,270,000	89,884,000	148,956,000
42	OTHER USES (NET):	168,783,850	161,953,786	10,391,975	68,633,284	3,821,011
43						
44						
45	TOTAL FUNDS APPLIED	$ 991,990,744	$ 857,856,776	$ 765,605,096	$ 655,676,295	$ 537,584,781

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

NIAGARA MOHAWK POWER CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO.
	ELECTRIC OPERATING REVENUES					
REVENUES						
RESIDENTIAL	$ 642,859,221	$ 603,117,748	$ 579,605,569	$ 534,744,449	$ 479,649,874	1
COMMERCIAL AND INDUSTRIAL	1,139,915,009	1,108,345,462	1,094,745,559	1,046,990,593	1,001,420,592	2
PUBLIC STREET AND HIGHWAY LIGHTING	38,933,617	37,560,065	36,198,109	34,638,673	31,021,565	3
OTHER PUBLIC AUTHORITIES	66,348	63,540	51,881	16,995	22,233	4
RAILROADS AND RAILWAYS	-	-	-	-	70	5
INTERDEPARTMENTAL	-	-	-	-	-	6
TOTAL REVENUES FROM ULTIMATE CONSUMERS	1,821,774,193	1,749,086,815	1,710,601,118	1,616,390,710	1,512,114,334	7
RESALE	189,379,488	298,233,751	230,137,798	165,903,223	131,709,562	8
TOTAL REVENUES FROM ELECTRIC SALES	2,011,153,681	2,047,320,566	1,940,738,916	1,782,293,933	1,643,823,896	9
OTHER ELECTRIC OPERATING REVENUES	66,980,861	71,144,255	68,057,086	60,726,545	59,269,479	10
TOTAL ELECTRIC OPERATING REVENUES	$ 2,078,134,522	$ 2,118,464,821	$ 2,008,796,002	$ 1,843,020,478	$ 1,703,093,375	11
KILOWATT-HOUR SALES (THOUSANDS)						
RESIDENTIAL	8,836,053	8,806,412	8,450,401	8,353,067	8,339,447	12
COMMERCIAL AND INDUSTRIAL	20,573,388	20,720,566	20,034,237	19,454,530	20,797,481	13
PUBLIC STREET AND HIGHWAY LIGHTING	232,408	236,539	242,416	250,707	259,245	14
OTHER PUBLIC AUTHORITIES	3,839	4,245	4,202	1,548	2,119	15
RAILROADS AND RAILWAYS	-	-	-	-	-	16
INTERDEPARTMENTAL	-	-	-	-	-	17
TOTAL SALES TO ULTIMATE CONSUMERS	29,645,688	29,767,762	28,731,256	28,059,853	29,398,293	18
RESALE	4,888,562	6,582,846	5,284,959	3,846,248	2,729,339	19
TOTAL KILOWATT-HOUR SALES	34,534,250	36,350,608	34,016,215	31,906,101	32,127,631	20
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	1,259,434	1,244,307	1,230,930	1,217,750	1,209,413	21
COMMERCIAL AND INDUSTRIAL	135,678	134,140	132,786	131,973	132,376	22
PUBLIC STREET AND HIGHWAY LIGHTING	3,154	3,128	3,107	3,105	3,073	23
OTHER PUBLIC AUTHORITIES	4	3	2	2	3	24
RAILROADS AND RAILWAYS	-	-	-	-	1	25
INTERDEPARTMENTAL	-	-	-	-	-	26
TOTAL ULTIMATE CONSUMERS	1,398,270	1,381,578	1,366,825	1,352,830	1,344,866	27
RESALE	149	144	144	150	151	28
TOTAL CUSTOMERS	1,398,419	1,381,722	1,366,969	1,352,980	1,345,017	29
ELECTRIC OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 510.44	$ 484.70	$ 470.87	$ 439.12	$ 396.60	30
AVERAGE KWH CONSUMPTION PER CUSTOMER	7,016	7,077	6,865	6,859	6,895	31
AVERAGE REVENUE PER KWH SOLD (CENTS)	7.28	6.85	6.86	6.40	5.75	32
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 8,401.62	$ 8,262.60	$ 8,244.44	$ 7,933.37	$ 7,564.97	33
AVERAGE KWH CONSUMPTION PER CUSTOMER	151,634	154,470	150,876	147,413	157,109	34
AVERAGE REVENUE PER KWH SOLD (CENTS)	5.54	5.35	5.46	5.38	4.82	35
	ELECTRIC OPERATION AND MAINTENANCE EXPENSES					
POWER PRODUCTION EXPENSES						
STEAM POWER						
FUEL	$ 359,491,301	$ 453,460,338	$ 485,712,316	$ 487,899,954	$ 535,166,762	36
OTHER	57,301,174	52,459,527	51,526,211	48,600,841	43,267,097	37
TOTAL STEAM POWER EXPENSES	416,792,475	505,919,865	537,238,527	536,500,795	578,433,859	38
NUCLEAR POWER						
FUEL	30,498,752	21,361,083	14,744,660	12,996,041	37,557,260	39
OTHER	17,567,344	26,788,221	25,516,870	21,481,145	26,744,187	40
TOTAL NUCLEAR POWER EXPENSES	48,066,096	48,149,304	40,261,530	34,477,186	64,301,447	41
HYDRAULIC POWER						
WATER FOR POWER	1,517,694	1,422,106	1,334,340	1,251,094	1,158,333	42
OTHER	10,783,574	11,066,899	10,710,946	11,172,978	8,901,600	43
TOTAL HYDRAULIC POWER EXPENSES	12,301,268	12,489,005	12,045,286	12,424,072	10,059,933	44
OTHER POWER GENERATION						
FUEL	1,406,192	1,269,264	888,198	1,617,654	9,331,667	45
OTHER	458,904	802,267	1,227,799	1,610,199	3,325,187	46
TOTAL OTHER POWER GENERATION EXPENSE	1,865,096	2,071,531	2,115,997	3,227,853	12,656,854	47
OTHER POWER SUPPLY EXPENSES						
PURCHASED POWER	371,895,818	384,664,117	390,614,392	318,684,666	260,241,682	48
OTHER	2,823,926	2,344,049	2,730,637	2,728,801	2,312,669	49
TOTAL OTHER POWER SUPPLY EXPENSES	374,719,744	387,008,166	393,345,029	321,413,467	262,554,351	50
TOTAL POWER PRODUCTION EXPENSES	853,744,679	955,637,871	985,006,369	908,043,373	928,006,444	51
TRANSMISSION EXPENSES	25,718,521	24,109,362	19,780,048	20,786,867	18,216,670	52
DISTRIBUTION EXPENSES	93,844,397	88,213,303	93,264,385	82,634,967	73,011,701	53
CUSTOMER ACCOUNTS EXPENSES	37,637,078	37,052,686	35,509,753	32,107,689	26,658,146	54
SALES EXPENSES	9,659,653	8,455,680	6,586,652	5,566,885	5,188,650	55
ADMINISTRATIVE AND GENERAL	174,246,752	162,180,936	141,782,925	126,764,195	111,109,096	56
TOTAL ELECTRIC OPERATION/MAINTENANCE EXPENSES	$ 1,194,851,080	$ 1,275,649,838	$ 1,281,930,112	$ 1,175,903,016	$ 1,162,190,707	57
	ELECTRIC UTILITY PLANT*					
ELECTRIC UTILITY PLANT						
ELECTRIC PLANT IN SERVICE						
INTANGIBLE PLANT	$ 49,366	$ 49,366	$ 49,366	$ 49,366	$ 49,366	58
PRODUCTION PLANT						
STEAM	1,178,589,101	1,144,760,008	1,099,000,612	1,075,716,621	1,048,101,336	59
NUCLEAR	476,458,346	460,273,353	367,746,133	282,136,464	285,014,689	60
HYDRAULIC	252,909,642	233,261,673	218,382,860	188,835,731	182,447,734	61
OTHER	26,634,643	26,591,848	26,089,296	25,979,055	24,149,469	62
TRANSMISSION PLANT	842,525,407	814,637,530	796,791,074	767,197,671	711,669,853	63
DISTRIBUTION PLANT	1,409,744,921	1,321,485,379	1,248,629,745	1,170,577,184	1,097,881,488	64
GENERAL PLANT	90,206,936	56,227,411	54,283,190	57,638,759	57,033,962	65
ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	4,379,670-	66
EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-	67
NUCLEAR FUEL ASSEMBLIES	358,759,633	310,198,372	286,657,506	269,569,638	238,991,735	68
TOTAL ELECTRIC PLANT IN SERVICE	4,635,879,995	4,367,485,940	4,097,629,782	3,837,700,469	3,620,979,962	69
PLANT LEASED TO OTHERS	1,108,341	1,108,341	105,000	105,000	105,000	70
PLANT HELD FOR FUTURE USE	-	-	-	-	-	71
CONSTRUCTION WORK IN PROGRESS	2,320,799,505	1,858,027,919	1,438,519,230	1,092,738,105	815,729,376	72
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	73
TOTAL ELECTRIC UTILITY PLANT	6,957,787,841	6,226,622,200	5,536,254,012	4,930,543,574	4,436,814,338	74
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	1,453,576,676	1,335,826,651	1,374,422,446	1,285,134,564	1,209,698,289	75
NET ELECTRIC UTILITY PLANT	$ 5,504,211,165	$ 4,890,795,549	$ 4,161,831,566	$ 3,645,409,010	$ 3,227,116,049	76
PLANT IN SERVICE BEGINNING OF YEAR	$ 4,367,485,940	$ 4,097,629,782	$ 3,837,700,467	$ 3,620,979,962	$ 3,414,688,543	77
ADDITIONS	294,485,651	295,517,947	288,899,784	250,903,256	237,044,697	78
RETIREMENTS	26,107,203	21,431,201	19,524,850	37,847,918	19,378,175	79
TRANSFERS AND ADJUSTMENTS	15,607	4,230,588-	9,445,619-	3,665,169	11,375,103-	80
PLANT IN SERVICE END OF YEAR	$ 4,635,879,995	$ 4,367,485,940	$ 4,097,629,782	$ 3,837,700,469	$ 3,620,979,962	81

*EXCLUDES ALLOCATION OF COMMON PLANT

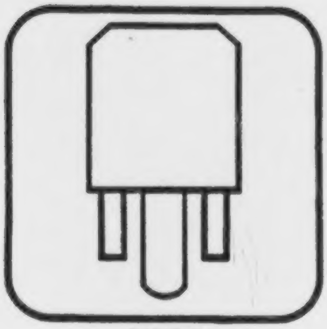
MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS

YEARS ENDED DECEMBER 31

NIAGARA MOHAWK POWER CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES - ULTIMATE CONSUMERS	$ 1,888,755,054	$ 1,820,231,070	$ 1,778,658,204	$ 1,677,117,255	$ 1,571,383,813
2	SALES-ULTIMATE CONSUMERS (000 KWH)	29,645,896	29,767,761	28,731,256	28,059,852	29,398,292
				DOLLAR AMOUNTS		
3	FUEL AND PURCHASED POWER	$ 614,686,907	$ 642,158,460	$ 720,171,202	$ 695,436,904	$ 743,424,973
4	WAGES AND BENEFITS	261,541,671	251,718,671	236,833,193	211,550,550	192,338,651
5	OTHER OPERATION AND MAINTENANCE EXPENSES	163,564,507	155,178,603	147,518,055	138,056,808	123,667,014
6	DEPRECIATION AND AMORTIZATION EXPENSES	136,872,590	127,750,935	114,449,888	108,493,772	90,898,440
7	INCOME TAXES - OPERATING	156,483,917	155,145,491	99,164,504	82,272,023	43,682,595
8	OTHER TAXES - OPERATING	228,902,577	217,096,475	208,095,136	191,308,027	172,751,626
9	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	159,619,063	144,371,073	125,900,973	117,986,380	105,972,164
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	34,711,312	29,993,212	26,988,218	24,387,827	24,123,868
11	EARNINGS AVAILABLE FOR COMMON EQUITY	132,372,510	96,818,150	102,537,035	107,642,963	74,524,482
12	TOTAL	$ 1,888,755,054	$ 1,820,231,070	$ 1,778,658,204	$ 1,677,117,255	$ 1,571,383,813
				PERCENT OF REVENUES - ULTIMATE CONSUMERS		
13	FUEL AND PURCHASED POWER	32.5	35.3	40.5	41.5	47.3
14	WAGES AND BENEFITS	13.8	13.8	13.3	12.6	12.2
15	OTHER OPERATION AND MAINTENANCE EXPENSES	8.7	8.5	8.3	8.2	7.9
16	DEPRECIATION AND AMORTIZATION EXPENSES	7.2	7.0	6.4	6.5	5.8
17	INCOME TAXES - OPERATING	8.3	8.5	5.6	4.9	2.8
18	OTHER TAXES - OPERATING	12.1	11.9	11.6	11.4	11.0
19	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	8.5	7.9	7.1	7.0	6.7
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1.8	1.6	1.5	1.5	1.5
21	EARNINGS AVAILABLE FOR COMMON EQUITY	7.0	5.3	5.8	6.4	4.7
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER KWH		
23	FUEL AND PURCHASED POWER	2.07	2.16	2.50	2.48	2.53
24	WAGES AND BENEFITS	0.88	0.85	0.82	0.75	0.65
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.55	0.52	0.51	0.49	0.42
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.46	0.43	0.40	0.39	0.31
27	INCOME TAXES - OPERATING	0.53	0.52	0.35	0.29	0.15
28	OTHER TAXES - OPERATING	0.77	0.73	0.72	0.68	0.59
29	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	0.54	0.48	0.44	0.42	0.36
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.12	0.10	0.09	0.09	0.08
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.45	0.33	0.36	0.38	0.25
32	TOTAL	6.37	6.11	6.19	5.98	5.35
	* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	93.42	92.92	92.06	91.39	90.86



POWER

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE BALANCE SHEETS YEARS ENDED DECEMBER 31

ORANGE AND ROCKLAND UTILITIES, INC.

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 515,945,973	$ 488,607,482	$ 459,201,677	$ 449,003,198	$ 473,365,163
2	ACCUM. PROVISION FOR DEPR. AND AMORT	163,065,039	151,812,663	139,216,653	127,393,032	116,031,693
3	NET ELECTRIC UTILITY PLANT	352,880,934	336,794,819	319,985,024	321,610,166	357,333,470
4	OTHER UTILITY PLANT	141,784,799	129,721,378	128,004,776	118,098,568	107,020,560
5	ACCUM. PROVISION FOR DEPR. AND AMORT	42,051,455	36,332,841	30,765,828	27,240,021	23,339,582
6	NET OTHER UTILITY PLANT	99,733,344	93,388,537	97,238,948	90,858,547	83,680,978
7	TOTAL UTILITY PLANT	657,730,772	618,328,860	587,206,453	567,101,766	580,385,723
8	ACCUM. PROVISION FOR DEPR. AND AMORT	205,116,494	188,145,504	169,982,481	154,633,053	139,371,275
9	NET TOTAL UTILITY PLANT	452,614,278	430,183,356	417,223,972	412,468,713	441,014,448
10	NONUTILITY PROPERTY LESS ACCUM. PROVISION FOR DEPRECIATION AND AMORTIZATION	83,506	91,038	79,279	109,628	125,123
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	61,225,798	55,283,544	54,491,112	47,812,100	41,640,050
13	OTHER INVESTMENTS	1	1	1	1	736
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	61,309,305	55,374,583	54,570,392	47,921,729	41,765,909
16	CASH	4,823,254	2,301,871	993,950	1,061,712	783,205
17	SPECIAL DEPOSITS	568,228	259,653	177,653	109,772	3,244
18	WORKING FUNDS	104,852	39,214	69,289	66,616	103,105
19	TEMPORARY CASH INVESTMENTS	-	8,970,161	-	-	-
20	NOTES + ACCOUNTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	34,982,583	37,984,297	37,725,767	30,654,182	29,401,839
21	RECEIVABLES FROM ASSOCIATED COMPANIES	7,764,500	8,531,675	7,395,243	9,501,406	8,349,752
22	MATERIALS AND SUPPLIES	17,662,295	18,773,090	14,079,489	18,257,634	16,893,172
23	PREPAYMENTS	14,062,863	13,484,305	12,921,909	32,853,218	25,206,890
24	OTHER CURRENT AND ACCRUED ASSETS	38,772,440	30,320,059	25,816,420	19,872,247	16,154,064
25	TOTAL CURRENT AND ACCRUED ASSETS	118,740,996	120,684,325	99,179,720	112,376,767	96,895,271
26	UNAMORTIZED DEBT EXPENSE	4,686,684	3,408,082	2,129,385	2,437,492	1,524,373
27	EXTRAORDINARY PROPERTY LOSSES	34,850,943	36,685,577	38,544,953	33,344,600	205,636
28	PREL. SURVEY + INVESTIGATION CHARGES	546,860	682,637	600,246	535,247	205,941
29	CLEARING ACCOUNTS	1,718	-	84	-	-
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	290,191-	556,938-	77,418-	116,252	58,473
32	ACCUMULATED DEFERRED INCOME TAXES	1,148,149	526,738	257,842	272,276	375,532
33	OTHER DEFERRED DEBITS	12,567,184	13,778,170	18,332,854	22,287,853	20,720,996
34	TOTAL DEFERRED DEBITS	53,511,347	54,524,268	59,787,926	58,993,726	23,090,951
35	TOTAL ASSETS AND OTHER DEBITS	$ 686,175,926	$ 660,746,532	$ 630,762,010	$ 631,760,935	$ 602,766,579
	LIABILITIES AND OTHER CREDITS					
36	COMMON STOCK ISSUED	$ 63,130,810	$ 63,112,095	$ 61,525,110	$ 58,887,065	$ 56,308,080
37	PREFERRED STOCK ISSUED	60,322,164	61,790,087	61,823,492	61,911,062	62,018,234
38	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
39	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
40	PREMIUM ON CAPITAL STOCK	105,806,315	105,743,632	100,633,816	93,408,810	88,039,303
41	OTHER PAID-IN CAPITAL	-	-	-	-	-
42	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
43	CAPITAL STOCK EXPENSE	5,848,720-	5,804,508-	5,748,418-	5,623,735-	5,502,897-
44	RETAINED EARNINGS	66,807,220	64,858,456	55,842,734	49,992,452	44,378,181
45	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	35,000,717	30,960,464	30,166,132	26,489,120	22,217,070
46	REACQUIRED CAPITAL STOCK	-	-	-	-	-
47	TOTAL PROPRIETARY CAPITAL	325,218,506	320,660,226	304,244,866	285,044,774	267,457,971
48	BONDS (LESS BONDS REACQUIRED)	170,000,000	170,000,000	170,000,000	178,000,000	188,000,000
49	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
50	OTHER LONG-TERM DEBT	25,057,702	16,926,290	6,237,125	5,341,680	55,550
51	NET UNAMORTIZED PREMIUM + DISCOUNT	285,827-	39,940	591,726	602,261	834,184
52	TOTAL LONG-TERM DEBT	194,771,875	186,966,230	176,828,851	183,943,941	188,889,734
53	NOTES PAYABLE	4,500,000	-	11,500,000	14,000,000	8,100,000
54	ACCOUNTS PAYABLE	42,739,124	42,297,507	31,919,090	34,600,107	37,689,226
55	PAYABLES TO ASSOCIATED COMPANIES	312,179	763,151	421,401	1,905,745	739,037
56	CUSTOMER DEPOSITS	2,054,542	1,914,025	1,837,682	1,777,310	2,016,234
57	TAXES ACCRUED	3,173,533	3,395,856	17,422,533	37,868,841	25,829,897
58	INTEREST ACCRUED	5,006,474	4,989,859	5,431,863	5,512,364	6,342,395
59	DIVIDENDS DECLARED	1,002,799	1,002,799	1,002,799	1,002,799	1,002,799
60	TAX COLLECTIONS PAYABLE	332,310	275,987	271,643	301,788	343,147
61	OTHER CURRENT AND ACCRUED LIABILITIES	19,035,353	16,197,309	16,073,813	4,237,035	4,479,131
62	TOTAL CURRENT AND ACCRUED LIABILITIES	78,156,314	70,836,493	85,880,824	101,205,989	86,541,866
63	CUSTOMER ADVANCES FOR CONSTRUCTION	755,943	671,478	541,252	403,916	473,266
64	DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-
65	ACCUM. DEFERRED INVESTMENT TAX CREDITS	15,784,513	13,091,388	11,418,396	10,338,353	8,482,948
66	OTHER DEFERRED CREDITS	11,365,288	11,851,743	6,295,537	8,269,849	10,890,993
	ACCUMULATED DEFERRED INCOME TAXES;					
67	ACCELERATED AMORTIZATION	1,067,328	988,273	1,106,521	1,224,769	1,343,017
68	LIBERALIZED DEPRECIATION	34,136,101	28,487,700	23,672,900	19,236,551	15,675,343
69	OTHER	22,693,658	24,867,201	18,493,689	20,499,918	21,951,732
70	TOTAL DEFERRED CREDITS	85,802,829	79,957,783	61,528,295	59,973,356	58,817,299
71	PROPERTY INSURANCE RESERVE	445,921	484,474	484,474	520,860	520,860
72	INJURIES AND DAMAGE RESERVE	1,553,326	1,713,628	1,787,990	1,143,156	692,641
73	PENSION AND BENEFITS RESERVE	-	-	-	-	-
74	MISCELLANEOUS OPERATING RESERVES	227,155	127,698	6,710	71,141-	153,792-
75	TOTAL OPERATING RESERVES	2,226,402	2,325,800	2,279,174	1,592,875	1,059,709
76	TOTAL LIABILITIES AND OTHER CREDITS	$ 686,175,926	$ 660,746,532	$ 630,762,010	$ 631,760,935	$ 602,766,579

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

ORANGE AND ROCKLAND UTILITIES, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS						
ELECTRIC UTILITY OPERATING INCOME						
OPERATING REVENUES $	338,114,8[illegible] $	357,783,591 $	334,772,906 $	314,036,907 $	284,186,180	1
OPERATION AND MAINTENANCE EXPENSE	216,896,606	237,387,776	224,316,788	215,576,277	200,280,581	2
DEPRECIATION EXPENSE	14,344,136	14,116,483	13,517,752	13,016,856	12,319,788	3
AMORTIZATION	2,092,812	2,083,508	2,094,433	785,868	140,186	4
TAXES OTHER THAN INCOME TAXES	37,861,733	37,248,266	33,179,853	30,213,413	27,653,405	5
INCOME TAXES	23,401,430	19,578,565	18,971,548	14,753,560	8,594,297	6
PROVISION FOR DEFERRED INCOME TAXES	6,176,989	10,417,650	5,153,734	5,012,117	4,880,720	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	3,933,407-	4,597,788-	4,766,743-	1,819,201-	1,201,786-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	298,840,299	316,212,480	295,465,165	277,518,890	252,647,191	12
NET OPERATING REVENUES	41,274,560	41,571,111	39,307,741	36,518,017	31,538,989	13
INC. FROM LSD. PLT. & OTHER OPER. INC	-	-	-	-	-	14
ELECTRIC UTILITY OPERATING INCOME	41,274,560	41,571,111	39,307,741	36,518,017	31,538,989	15
OTHER UTILITY OPERATING INCOME	6,769,699	7,913,952	6,118,124	7,043,460	6,732,393	16
TOTAL UTILITY OPERATING INCOME	48,044,259	49,485,063	45,425,865	43,561,477	38,271,382	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	11,619-	649	1,302-	656-	269-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S.	4,040,253	1,576,332	4,463,012	5,056,050	3,961,422	21
INTEREST AND DIVIDEND INCOME	669,188	698,881	2,164,583	2,664,150	474,683	22
ALLOWANCE FOR CONSTRUCTION FUNDS	1,643,130	3,389,108	2,698,415	1,818,656	4,906,546	23
MISCELLANEOUS NONOPERATING INCOME	170,186-	90,622-	169,783-	185,014-	140,124-	24
GAIN ON DISPOSITION OF PROPERTY	204,834	20,710	58,134	41,775	2,848	25
TOTAL OTHER INCOME	6,375,600	5,595,058	9,213,059	9,394,961	9,205,106	26
TOTAL INCOME	54,419,859	55,080,121	54,638,924	52,956,438	47,476,488	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	38,066	29,249	24,487	31,945	44,877	28
INCOME TAXES-NONOPERATING	1,434,944-	2,893,783-	676,475-	300,476	860,227-	29
LOSS ON DISPOSITION OF PROPERTY	43	-	875	-	69	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	439,908	317,562	378,755	195,278	130,622	32
TOTAL INCOME DEDUCTIONS	958,927-	2,546,972-	272,358-	527,899	684,659-	33
INCOME BEFORE INTEREST CHARGES	55,378,786	57,627,093	54,911,282	52,428,739	48,161,147	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	14,157,366	17,297,740	16,692,331	14,781,202	14,263,907	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	179,753	362,757	348,127	208,046	139,733	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	46,369-	46,369-	50,535-	51,923-	54,986-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	1,330,736	1,294,074	1,819,812	3,365,560	3,440,239	39
TOTAL INTEREST CHARGES	15,621,486	18,908,202	18,809,735	18,302,885	17,788,913	40
INCOME BEFORE EXTRAORDINARY ITEMS	39,757,300	38,718,891	36,101,547	34,125,854	30,372,234	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME $	39,757,300 $	38,718,891 $	36,101,547 $	34,125,854 $	30,372,234	46
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR $	64,858,456 $	55,842,734 $	49,992,452 $	44,378,181 $	39,553,926	47
BALANCE TRANSFERRED FROM INCOME	35,717,047	37,926,559	32,422,535	29,853,804	27,194,812	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	4,284,380	4,287,709	4,290,048	4,295,717	4,301,356	50
-COMMON STOCK	26,386,024	24,623,128	22,282,205	19,343,816	18,069,201	51
ADJUSTMENTS TO RETAINED EARNINGS	3,097,8[illegible]-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	66,807,220	64,858,456	55,842,734	49,992,452	44,378,181	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	35,000,717	30,960,464	30,168,132	26,489,120	22,217,070	55
TOTAL RETAINED EARNINGS, END OF YEAR $	101,807,937 $	95,818,920 $	86,010,866 $	76,481,572 $	66,595,251	56
SELECTED BALANCE SHEET RELATIONSHIPS						
ELEC. UTILITY PLANT/DOLLAR OF ELEC.REVENUE	1.49	1.32	1.36	1.47	1.62	57
OTHER UTILITY PLANT/DOLLAR OTHER REVENUE	0.98	0.91	0.82	0.86	0.93	58
TOTAL UTILITY PLANT/DOLLAR TOTAL REVENUE	1.34	1.21	1.19	1.29	1.43	59
CURRENT ASSETS / BY CURRENT LIABILITIES	1.52	1.70	1.15	1.11	1.12	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	37.4	36.8	36.7	39.2	41.3	61
PREFERRED STOCK	11.6	12.1	12.8	13.2	13.5	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	38.0	38.2	38.7	36.9	35.2	63
RETAINED EARNINGS	12.8	12.7	11.6	10.6	9.7	64
LONG-TERM DEBT % OF GROSS UTILITY PLANT	29.6	30.2	30.1	32.4	32.5	65
% OF NET UTILITY PLANT	43.0	43.4	42.3	44.5	42.8	66
ACCUM PROVISION FOR DEPR. % OF UTILITY PLT	31.1	30.4	28.9	27.2	24.0	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
ELECTRIC OPERATING REVENUES:						
% OF TOTAL OPERATING REVENUES	71.0	71.6	66.9	70.3	72.1	68
PERCENT OF ELECTRIC OPERATING REVENUES						
ELECTRIC OPERATION AND MAINTENANCE	64.1	66.3	67.0	68.6	70.4	69
ELECTRIC DEPRECIATION AND AMORTIZATION	4.8	4.5	4.6	4.3	4.3	70
TOTAL INCOME TAXES-ELECTRIC, OPERATING	7.5	7.0	6.6	5.7	4.3	71
OTHER TAXES-ELECTRIC, OPERATING	11.1	10.4	9.9	9.6	9.7	72
GAINS/LOSSES FROM DISP.OF UTILITY PLANT	-	-	-	-	-	73
TOTAL ELECTRIC OPERATING EXPENSE	87.7	88.3	88.2	88.3	88.9	74
ELECTRIC OPERATING INCOME	12.2	11.6	11.7	11.6	11.0	75
ELEC.DEPR.AND AMORT.% OF ELEC. UTILITY PLT	3.1	3.3	3.3	3.0	2.6	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	3.3	3.8	3.9	4.1	4.5	77
PRETAX INTEREST COVERAGE	5.3	4.5	4.2	4.0	3.4	78
NET INCOME-PERCENT OF OPERATING REVENUES	8.3	7.7	7.4	7.6	7.7	79
DIVIDEND APPROPRIATIONS,PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.8	0.8	0.8	0.9	1.0	80
TIMES EARNED	9.3	9.0	8.4	7.9	7.1	81
DIVIDEND APPROPRIATIONS,COMMON STOCK:						
PERCENT OF OPERATING REVENUES	5.5	4.9	4.5	4.4	4.5	82
% OF EARNINGS AVAILABLE FOR COMMON	74.3	71.5	70.0	66.8	69.3	83
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	13.5	13.7	13.6	13.9	13.1	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	10.0	9.8	9.5	9.3	9.0	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ORANGE AND ROCKLAND UTILITIES, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 39,757,300	$ 38,718,881	$ 36,101,547	$ 34,125,864	$ 30,372,234
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	19,817,904	19,898,524	17,959,835	17,281,031	16,538,468
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	5,625,625	12,474,160	3,406,349	7,582,686	5,227,412
4	INTEREST CAPITALIZED	1,643,130-	3,389,108-	2,698,415-	1,818,656-	4,906,546-
5	OTHER (NET)	4,865,769	5,408,828	3,102,332	1,282,136	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	68,423,468	73,111,295	57,871,648	58,453,051	47,231,568
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	68,423,468	73,111,295	57,871,648	58,453,051	47,231,568
10	LESS DIVIDENDS PREFERRED	4,284,360	4,287,709	4,290,048	4,295,717	4,301,356
11	COMMON	26,386,024	24,623,128	22,282,205	19,943,816	18,069,201
12	NET FUNDS FROM INTERNAL SOURCES	37,753,084	44,200,458	31,299,395	34,213,518	24,861,011
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	8,808,554	11,043,738	913,613	5,302,312	11,139
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	81,398	6,696,801	9,883,051	7,928,492	5,101,380
16	NET INCREASE IN SHORT TERM DEBT	4,500,000	-	-	5,900,000	8,100,000
17	OTHER (NET):	-	-	-	7,018,070	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	13,389,952	17,740,538	10,796,664	26,148,874	13,212,519
20	OTHER SOURCES (NET):	4,743,150	5,336,411	371,882	-	10,286,650
21						
22						
23	TOTAL FUNDS PROVIDED	$ 55,886,186	$ 67,277,408	$ 42,467,941	$ 60,362,392	$ 48,360,180
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	ELECTRIC PLANT	$ 29,934,032	$ 31,411,646	$ 12,134,578	$ 21,930,170	$ 25,608,856
25	NUCLEAR PLANT	-	-	-	-	5,045,486
26	NUCLEAR FUEL	-	-	-	-	275,185
27	GAS PLANT	9,584,211	6,770,393	4,259,737	6,432,452	6,710,594
28	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
29	STEAM PLANT	-	-	-	-	-
30	NON-UTILITY PLANT	17,951	34,625	-	2,184	13,699
31	OTHER	3,291,742	4,467,062-	6,898,073	5,110,259	3,419,828
32	TOTAL GROSS ADDITIONS	42,827,936	33,749,602	23,292,388	33,475,045	41,073,648
33	LESS INTEREST CAPITALIZED	1,643,130	3,389,108	2,698,415	1,818,656	4,906,546
34	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	41,184,806	30,360,494	20,593,971	31,656,389	36,167,102
	RETIREMENT OF DEBT AND SECURITIES					
35	LONG TERM DEBT	677,142	354,573	8,018,168	10,016,182	6,013,828
36	PREFERRED STOCK	1,467,923	33,405	87,570	107,172	137,585
37	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
38	NET DECREASE IN SHORT TERM DEBT	-	11,500,000	2,500,000	-	-
39	OTHER (NET):	-	-	-	-	-
40						
41	TOTAL RETIREMENT OF DEBT AND SECURITIES	2,145,065	11,887,978	10,605,738	10,123,354	6,151,413
42	OTHER USES (NET)	12,556,315	25,028,936	11,268,232	18,582,649	6,041,665
43						
44						
45	TOTAL FUNDS APPLIED	$ 55,886,186	$ 67,277,408	$ 42,467,941	$ 60,362,392	$ 48,360,180

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

ORANGE AND ROCKLAND UTILITIES, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO
ELECTRIC OPERATING REVENUES						
REVENUES						
RESIDENTIAL	$ 108,556,674	$ 108,804,587	$ 104,310,545	$ 95,275,088	$ 83,356,819	1
COMMERCIAL AND INDUSTRIAL	131,219,405	133,505,079	128,104,417	122,882,207	109,261,834	2
PUBLIC STREET AND HIGHWAY LIGHTING	3,551,375	3,497,210	3,389,860	3,235,961	2,737,542	3
OTHER PUBLIC AUTHORITIES	3,775,988	3,780,010	3,747,623	3,584,878	3,259,100	4
RAILROADS AND RAILWAYS	-	-	-	-	-	5
INTERDEPARTMENTAL	144,087	143,424	151,277	125,821	108,758	6
TOTAL REVENUES FROM ULTIMATE CONSUMERS	245,247,527	249,510,310	239,703,722	225,103,955	198,722,053	7
RESALE	90,147,443	105,698,083	93,203,029	87,037,204	83,702,393	8
TOTAL REVENUES FROM ELECTRIC SALES	335,394,970	355,208,393	332,906,751	312,141,159	282,424,446	9
OTHER ELECTRIC OPERATING REVENUES	2,719,889	2,577,198	1,866,155	1,895,748	1,761,734	10
TOTAL ELECTRIC OPERATING REVENUES	$ 338,114,859	$ 357,783,591	$ 334,772,906	$ 314,036,907	$ 284,186,180	11
KILOWATT-HOUR SALES (THOUSANDS)						
RESIDENTIAL	822,920	816,682	792,392	739,784	743,964	12
COMMERCIAL AND INDUSTRIAL	1,353,702	1,323,998	1,273,995	1,237,752	1,245,927	13
PUBLIC STREET AND HIGHWAY LIGHTING	18,886	18,553	18,367	18,152	18,199	14
OTHER PUBLIC AUTHORITIES	55,282	52,430	51,881	50,860	49,894	15
RAILROADS AND RAILWAYS	-	-	-	-	-	16
INTERDEPARTMENTAL	2,955	2,821	2,839	2,792	2,758	17
TOTAL SALES TO ULTIMATE CONSUMERS	2,253,745	2,214,482	2,139,455	2,049,342	2,060,743	18
RESALE	1,869,959	1,981,706	1,726,678	1,488,178	1,450,768	19
TOTAL KILOWATT-HOUR SALES	4,123,704	4,196,188	3,866,132	3,537,520	3,511,511	20
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	144,695	141,610	139,251	137,322	135,205	21
COMMERCIAL AND INDUSTRIAL	18,856	18,217	17,777	17,449	17,187	22
PUBLIC STREET AND HIGHWAY LIGHTING	400	384	367	362	364	23
OTHER PUBLIC AUTHORITIES	1	1	1	1	1	24
RAILROADS AND RAILWAYS	-	-	-	-	-	25
INTERDEPARTMENTAL	1	1	1	1	1	26
TOTAL ULTIMATE CONSUMERS	163,953	160,213	157,397	155,135	152,758	27
RESALE	6	7	8	7	7	28
TOTAL CUSTOMERS	163,959	160,220	157,405	155,142	152,765	29
ELECTRIC OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 738.42	$ 768.93	$ 749.08	$ 693.81	$ 616.52	30
AVERAGE KWH CONSUMPTION PER CUSTOMER	5,687	5,767	5,690	5,387	5,502	31
AVERAGE REVENUE PER KWH SOLD (CENTS)	12.95	13.30	13.16	12.88	11.20	32
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 6,959.03	$ 7,328.60	$ 7,206.19	$ 7,042.36	$ 6,357.24	33
AVERAGE KWH CONSUMPTION PER CUSTOMER	71,792	72,679	71,665	70,935	72,492	34
AVERAGE REVENUE PER KWH SOLD (CENTS)	9.69	10.08	10.06	9.93	8.77	35
ELECTRIC OPERATION AND MAINTENANCE EXPENSES						
POWER PRODUCTION EXPENSES						
STEAM POWER						
FUEL	$ 109,595,730	$ 124,643,073	$ 122,208,296	$ 129,190,864	$ 123,976,717	36
OTHER	12,610,619	11,214,959	9,174,868	9,368,440	8,328,254	37
TOTAL STEAM POWER EXPENSES	122,206,349	135,858,032	131,383,164	138,559,304	132,304,971	38
NUCLEAR POWER						
FUEL	-	-	-	-	-	39
OTHER	-	-	-	-	-	40
TOTAL NUCLEAR POWER EXPENSES	-	-	-	-	-	41
HYDRAULIC POWER						
WATER FOR POWER	800,707	1,776,063	1,613,756	1,584,823	2,063,434	42
OTHER	1,129,037	946,982	1,113,011	1,077,912	783,059	43
TOTAL HYDRAULIC POWER EXPENSES	1,929,744	2,723,045	2,726,767	2,662,735	2,846,493	44
OTHER POWER GENERATION						
FUEL	437,524	837,757	881,432	424,060	548,456	45
OTHER	877,014	889,059	882,458	872,073	746,046	46
TOTAL OTHER POWER GENERATION EXPENSE	1,314,538	1,726,816	1,763,890	1,296,133	1,294,502	47
OTHER POWER SUPPLY EXPENSES						
PURCHASED POWER	42,178,233	52,472,414	44,876,121	33,926,868	29,066,635	48
OTHER	1,086,901	1,114,606	1,478,468	1,354,383	1,721,688	49
TOTAL OTHER POWER SUPPLY EXPENSES	43,265,134	53,587,020	46,354,589	35,281,251	30,788,323	50
TOTAL POWER PRODUCTION EXPENSES	168,715,765	193,894,913	182,228,410	177,799,423	167,234,289	51
TRANSMISSION EXPENSES	4,827,191	5,068,347	4,883,107	4,429,066	4,678,418	52
DISTRIBUTION EXPENSES	13,429,263	12,115,662	10,704,351	10,572,469	8,386,617	53
CUSTOMER ACCOUNTS EXPENSES	6,860,297	7,031,437	6,794,223	6,046,396	5,331,569	54
SALES EXPENSES	1,573,086	1,218,453	929,627	676,526	529,510	55
ADMINISTRATIVE AND GENERAL	21,491,005	18,036,964	18,777,070	16,052,397	14,120,178	56
TOTAL ELECTRIC OPERATION/MAINTENANCE EXPENSES	$ 216,896,006	$ 237,367,776	$ 224,316,788	$ 215,576,277	$ 200,280,581	57
ELECTRIC UTILITY PLANT*						
ELECTRIC UTILITY PLANT						
ELECTRIC PLANT IN SERVICE						
INTANGIBLE PLANT	$ 20,657	$ 20,657	$ 20,657	$ 20,657	$ 20,657	58
PRODUCTION PLANT						
STEAM	177,738,879	172,838,846	171,975,632	170,057,680	165,929,029	59
NUCLEAR	-	-	-	-	-	60
HYDRAULIC	12,969,644	12,981,983	12,839,162	12,766,487	12,539,791	61
OTHER	5,346,765	5,583,243	1,335,316	1,335,316	1,334,693	62
TRANSMISSION PLANT	87,388,193	86,372,372	86,129,765	85,935,190	78,598,823	63
DISTRIBUTION PLANT	166,069,973	158,321,209	152,168,560	146,803,805	140,641,814	64
GENERAL PLANT	30,164,964	28,995,593	17,380,991	16,841,811	14,361,769	65
ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-	66
EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-	67
NUCLEAR FUEL ASSEMBLIES	-	-	-	-	1,151,206	68
TOTAL ELECTRIC PLANT IN SERVICE	479,694,075	465,091,903	441,850,083	433,760,926	414,575,782	69
PLANT LEASED TO OTHERS	-	-	-	-	-	70
PLANT HELD FOR FUTURE USE	4,240,215	4,240,215	4,553,155	4,558,002	4,597,491	71
CONSTRUCTION WORK IN PROGRESS	32,011,683	19,275,364	12,798,439	10,684,270	54,191,890	72
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	73
TOTAL ELECTRIC UTILITY PLANT	515,945,973	488,607,482	459,201,677	449,003,198	473,365,163	74
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	163,065,039	151,812,663	139,216,653	127,393,032	116,031,693	75
NET ELECTRIC UTILITY PLANT	$ 352,880,934	$ 336,794,819	$ 319,985,024	$ 321,610,166	$ 357,333,470	76
PLANT IN SERVICE BEGINNING OF YEAR	$ 465,091,903	$ 441,850,083	$ 433,760,926	$ 414,575,782	$ 395,185,334	77
ADDITIONS	17,197,713	24,934,721	10,020,407	22,153,835	23,100,136	78
RETIREMENTS	2,585,657	1,608,433	1,714,748	1,714,583	3,720,559	79
TRANSFERS AND ADJUSTMENTS	9,884-	84,468-	216,502-	1,254,108-	9,871	80
PLANT IN SERVICE END OF YEAR	$ 479,694,075	$ 465,091,903	$ 441,850,083	$ 433,760,926	$ 414,575,782	81

*EXCLUDES ALLOCATION OF COMMON PLANT

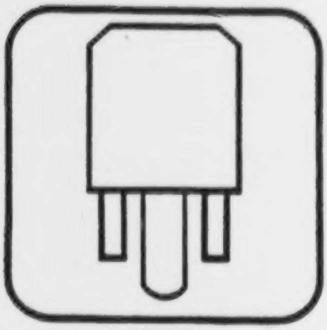
MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS

YEARS ENDED DECEMBER 31

ORANGE AND ROCKLAND UTILITIES, INC.

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES - ULTIMATE CONSUMERS	$ 247,987,416	$ 252,087,508	$ 241,569,877	$ 228,999,703	$ 200,483,787
2	SALES-ULTIMATE CONSUMERS (000 KWH)	2,253,744	2,214,482	2,139,454	2,049,341	2,080,742
				DOLLAR AMOUNTS		
3	FUEL AND PURCHASED POWER	$ 80,340,595	$ 90,451,476	$ 89,983,224	$ 92,376,187	$ 91,248,122
4	WAGES AND BENEFITS	38,848,329	34,698,682	33,345,631	30,932,711	26,645,885
5	OTHER OPERATION AND MAINTENANCE EXPENSES	23,166,188	20,958,081	19,664,876	18,028,773	16,526,686
6	DEPRECIATION AND AMORTIZATION EXPENSES	16,436,948	16,199,991	15,612,185	13,752,724	12,459,974
7	INCOME TAXES - OPERATING	25,645,012	25,398,447	22,356,539	17,946,478	12,253,231
8	OTHER TAXES - OPERATING	37,861,733	37,246,266	33,179,653	30,213,413	27,653,405
9	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	11,453,440	12,807,196	13,476,752	14,107,950	10,884,775
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	3,437,883	3,483,058	3,479,753	3,325,989	3,029,762
11	EARNINGS AVAILABLE FOR COMMON EQUITY	10,777,308	11,044,312	10,471,264	6,286,480	220,053-
12	TOTAL	$ 247,987,416	$ 252,087,508	$ 241,569,877	$ 228,999,703	$ 200,483,787
				PERCENT OF REVENUES - ULTIMATE CONSUMERS		
13	FUEL AND PURCHASED POWER	32.4	35.9	37.2	40.7	45.5
14	WAGES AND BENEFITS	15.7	13.8	13.8	13.6	13.3
15	OTHER OPERATION AND MAINTENANCE EXPENSES	9.3	8.3	8.1	7.9	8.2
16	DEPRECIATION AND AMORTIZATION EXPENSES	6.6	6.4	6.5	6.1	6.2
17	INCOME TAXES - OPERATING	10.3	10.1	9.3	7.9	6.1
18	OTHER TAXES - OPERATING	15.3	14.8	13.7	13.3	13.8
19	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	4.6	5.0	5.6	6.2	5.4
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1.4	1.4	1.4	1.5	1.5
21	EARNINGS AVAILABLE FOR COMMON EQUITY	4.3	4.4	4.3	2.8	-
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER KWH		
23	FUEL AND PURCHASED POWER	3.56	4.08	4.13	4.51	4.43
24	WAGES AND BENEFITS	1.72	1.57	1.56	1.51	1.29
25	OTHER OPERATION AND MAINTENANCE EXPENSES	1.03	0.95	0.92	0.88	0.80
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.73	0.73	0.73	0.67	0.60
27	INCOME TAXES - OPERATING	1.14	1.15	1.04	0.88	0.59
28	OTHER TAXES - OPERATING	1.68	1.68	1.55	1.47	1.34
29	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	0.51	0.57	0.63	0.69	0.53
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.15	0.16	0.16	0.16	0.15
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.48	0.50	0.49	0.31	-
32	TOTAL	11.00	11.38	11.29	11.08	9.73
	* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31 - STATED AS PERCENTS	81.93	82.15	81.74	81.91	83.95



POWER

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE BALANCE SHEETS, YEARS ENDED DECEMBER 31

ROCHESTER GAS AND ELECTRIC CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 1,845,454,152	$ 1,640,231,789	$ 1,442,961,749	$ 1,267,179,729	$ 1,156,867,673
2	ACCUM. PROVISION FOR DEPR. AND AMORT.	481,211,395	437,781,057	398,781,446	356,904,445	315,885,857
3	NET ELECTRIC UTILITY PLANT	1,364,242,757	1,202,450,732	1,044,180,303	910,275,284	840,981,816
4	OTHER UTILITY PLANT	311,655,299	308,474,117	292,371,997	278,382,551	263,747,005
5	ACCUM. PROVISION FOR DEPR. AND AMORT.	95,048,261	92,349,591	87,499,399	80,212,431	73,536,011
6	NET OTHER UTILITY PLANT	216,607,038	216,124,526	204,872,598	198,170,120	190,210,994
7	TOTAL UTILITY PLANT	2,157,109,451	1,948,705,906	1,735,333,746	1,545,562,280	1,420,614,678
8	ACCUM. PROVISION FOR DEPR. AND AMORT.	576,259,656	530,130,648	486,280,845	437,116,876	389,421,868
9	NET TOTAL UTILITY PLANT	1,580,849,795	1,418,575,258	1,249,052,901	1,108,445,404	1,031,192,810
10	NONUTILITY PROPERTY LESS ACCUM. PROVISION FOR DEPRECIATION AND AMORTIZATION	27,371	27,371	27,371	3,573,858	3,573,858
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	2,237,100	2,237,100	2,237,100	-	-
13	OTHER INVESTMENTS	290,759	298,759	116,656	116,656	116,656
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	2,555,230	2,563,230	2,381,127	3,690,514	3,690,514
16	CASH	1,154,964	903,611	1,701,468	1,096,230	1,428,173
17	SPECIAL DEPOSITS	5,463,259	8,969,494	1,108,159	5,373,232	27,494
18	WORKING FUNDS	72,079	66,029	233,271	387,932	553,914-
19	TEMPORARY CASH INVESTMENTS	39,798,414	38,545,798	21,499,861	-	500,000
20	NOTES + ACCOUNTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	66,308,759	67,572,961	72,406,539	73,336,950	65,375,829
21	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
22	MATERIALS AND SUPPLIES	21,013,566	26,879,942	28,873,396	34,989,937	36,015,919
23	PREPAYMENTS	10,186,115	8,088,717	9,656,541	9,309,688	3,175,436
24	OTHER CURRENT AND ACCRUED ASSETS	183,744	64,591	184,798	238,388	7,961
25	TOTAL CURRENT AND ACCRUED ASSETS	144,180,900	151,101,143	135,725,029	124,702,365	105,976,697
26	UNAMORTIZED DEBT EXPENSE	9,081,381	8,000,188	7,293,542	6,427,564	9,222,019
27	EXTRAORDINARY PROPERTY LOSSES	48,116,001	34,479,448	37,379,391	30,986,677	-
28	PREL. SURVEY + INVESTIGATION CHARGES	1,706,398	1,088,686	1,698,130	1,563,216	841,835
29	CLEARING ACCOUNTS	-	-	-	-	-
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	52,536-	2,063,209	4,779,231	6,010,107	4,053,478
32	ACCUMULATED DEFERRED INCOME TAXES	9,912,941	14,699,384	15,045,000	25,589,368	21,015,059
33	OTHER DEFERRED DEBITS	13,513,143	1,398,148	24,983,673	27,352,364	10,620,402
34	TOTAL DEFERRED DEBITS	82,275,929	61,727,082	91,178,976	106,929,286	41,752,793
35	TOTAL ASSETS AND OTHER DEBITS	$ 1,809,861,854	$ 1,633,966,683	$ 1,478,338,033	$ 1,343,767,569	$ 1,182,612,814
	LIABILITIES AND OTHER CREDITS					
36	COMMON STOCK ISSUED	$ 142,484,495	$ 128,382,435	$ 122,032,115	$ 109,966,955	$ 95,199,545
37	PREFERRED STOCK ISSUED	114,547,500	144,187,500	144,187,500	145,000,000	145,000,000
38	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
39	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
40	PREMIUM ON CAPITAL STOCK	330,575,694	287,771,904	274,581,462	243,717,532	217,235,371
41	OTHER PAID-IN CAPITAL	376,387	102,139	102,139	-	-
42	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
43	CAPITAL STOCK EXPENSE	12,359,142-	11,340,117-	11,466,987-	10,782,749-	10,080,523-
44	RETAINED EARNINGS	216,794,787	179,675,826	153,142,070	119,799,019	104,831,721
45	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-
46	REACQUIRED CAPITAL STOCK	-	-	-	-	-
47	TOTAL PROPRIETARY CAPITAL	792,419,691	728,779,687	682,588,289	607,700,757	552,208,114
48	BONDS (LESS BONDS REACQUIRED)	676,500,000	636,500,000	611,500,000	541,167,000	488,667,000
49	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
50	OTHER LONG-TERM DEBT	91,900,000	51,700,000	-	-	-
51	NET UNAMORTIZED PREMIUM + DISCOUNT	139,341-	181,583-	217,792-	254,001-	158,658-
52	TOTAL LONG-TERM DEBT	768,260,659	688,018,417	611,282,208	540,912,999	488,508,342
53	NOTES PAYABLE	-	-	-	40,000,000	-
54	ACCOUNTS PAYABLE	44,268,478	43,472,318	54,134,270	34,334,083	39,738,061
55	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
56	CUSTOMER DEPOSITS	1,600,350	1,282,167	766,666	627,821	616,757
57	TAXES ACCRUED	1,299,052	7,308,458	4,501,420	6,464,883	3,339,462
58	INTEREST ACCRUED	14,584,970	13,276,409	12,862,581	14,286,974	13,980,233
59	DIVIDENDS DECLARED	17,718,413	16,849,210	59,923	92,510	82,651
60	TAX COLLECTIONS PAYABLE	1,480,388	1,199,983	1,234,167	1,170,683	1,227,116
61	OTHER CURRENT AND ACCRUED LIABILITIES	7,958,557	7,064,370	7,254,679	12,350,990	8,405,454
62	TOTAL CURRENT AND ACCRUED LIABILITIES	88,910,208	90,432,906	80,812,686	109,305,954	67,389,754
63	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	2,000	4,000	6,000
64	DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-
65	ACCUM. DEFERRED INVESTMENT TAX CREDITS	76,011,456	68,052,852	37,241,083	24,923,141	19,010,129
66	OTHER DEFERRED CREDITS	22,453,871	11,562,502	16,671,812	11,424,915	20,978,840
	ACCUMULATED DEFERRED INCOME TAXES.					
67	ACCELERATED AMORTIZATION	-	-	-	-	-
68	LIBERALIZED DEPRECIATION	41,178,286	33,009,605	24,062,649	19,206,360	15,542,441
69	OTHER	19,325,619	14,704,522	24,522,940	29,690,827	20,480,172
70	TOTAL DEFERRED CREDITS	158,969,034	126,329,481	102,490,454	85,249,243	76,017,582
71	PROPERTY INSURANCE RESERVE	463,115	288,583	104,472	3,222	3,222
72	INJURIES AND DAMAGE RESERVE	839,149	1,117,620	1,059,914	594,384	487,800
73	PENSION AND BENEFITS RESERVE	-	-	-	-	-
74	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
75	TOTAL OPERATING RESERVES	1,302,264	1,406,203	1,164,386	597,606	491,022
76	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,809,861,854	$ 1,633,966,683	$ 1,478,338,033	$ 1,343,767,569	$ 1,182,612,814

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

ROCHESTER GAS AND ELECTRIC CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
	COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS					
ELECTRIC UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 473,553,467	$ 476,959,124	$ 463,591,606	$ 405,698,146	$ 374,626,127	1
OPERATION AND MAINTENANCE EXPENSE	223,787,385	248,740,551	255,421,004	237,677,721	230,906,825	2
DEPRECIATION EXPENSE	34,803,896	31,830,025	29,961,961	28,324,385	26,202,488	3
AMORTIZATION	4,211,221	2,978,248	2,685,591	1,103,946	78,304	4
TAXES OTHER THAN INCOME TAXES	58,867,221	59,215,611	57,930,984	52,958,276	47,436,502	5
INCOME TAXES	22,761,038	36,519,155	15,076,574	8,598,115	8,128,035	6
PROVISION FOR DEFERRED INCOME TAXES	24,806,576	23,286,130	43,900,798	42,783,590	31,554,677	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	4,439,822	12,374,850-	24,838,338	31,389,334-	28,275,861-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	13,300	-	-	-	11
TOTAL OPERATING EXPENSES	373,736,959	390,196,170	380,338,614	338,072,679	316,029,978	12
NET OPERATING REVENUES	99,816,508	86,762,954	83,252,992	67,625,467	58,596,149	13
INC. FROM LSD. PLT. & OTHER OPER. INC	-	-	-	-	-	14
ELECTRIC UTILITY OPERATING INCOME	99,816,508	86,762,954	83,252,992	67,625,467	58,596,149	15
OTHER UTILITY OPERATING INCOME	19,437,518	22,301,523	15,571,368	17,443,975	20,745,612	16
TOTAL UTILITY OPERATING INCOME	119,254,026	109,064,477	98,824,360	85,069,442	79,341,761	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	397-	-	1,320	8,883-	2,330-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	-	-	15,329	26,560	9,128	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	-	-	-	-	1,034,759-	21
INTEREST AND DIVIDEND INCOME	5,099,936	2,637,144	2,394,727	1,518,434	853,681	22
ALLOWANCE FOR CONSTRUCTION FUNDS	52,732,548	46,522,880	36,091,814	28,715,430	21,110,341	23
MISCELLANEOUS NONOPERATING INCOME	306,575-	1,158,381-	332,085	321,825	2,276	24
GAIN ON DISPOSITION OF PROPERTY	10,666	24,083	15,270	32,901	511	25
TOTAL OTHER INCOME	57,536,177	48,025,725	38,850,559	30,606,256	20,738,839	26
TOTAL INCOME	176,790,203	157,090,202	137,674,915	115,675,698	100,080,600	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	70,541	83,082	122,988	87,944	57,257	28
INCOME TAXES-NONOPERATING	13,344,232-	13,366,508-	9,724,205-	8,469,922-	9,046,590-	29
LOSS ON DISPOSITION OF PROPERTY	8,177,216	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	283,684	378,420	378,420	378,420	378,420	31
MISCELLANEOUS INCOME DEDUCTIONS	534,325	779,774	904,566	868,579	1,383,096	32
TOTAL INCOME DEDUCTIONS	4,278,466-	12,114,232-	8,318,231-	7,151,979-	7,227,817-	33
INCOME BEFORE INTEREST CHARGES	181,068,669	169,204,434	145,993,146	122,827,677	107,308,417	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	70,372,980	63,103,083	56,760,888	49,327,328	38,020,016	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	833,145	750,366	670,573	519,236	340,738	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	33,617-	38,661-	38,651-	40,473-	41,625-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	1,427,700	1,772,538	2,353,901	3,981,897	3,676,061	39
TOTAL INTEREST CHARGES	72,600,188	65,586,337	59,745,311	52,787,987	41,995,188	40
INCOME BEFORE EXTRAORDINARY ITEMS	108,468,481	103,618,097	86,247,835	70,039,690	65,313,229	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 108,468,481	$ 103,618,097	$ 86,247,835	$ 70,039,690	$ 65,313,229	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 179,633,479	$ 153,099,723	$ 119,756,672	$ 104,789,374	$ 82,787,832	47
BALANCE TRANSFERRED FROM INCOME	108,468,481	103,618,097	86,247,835	70,039,690	66,462,435	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	9,467,448	12,212,814	10,514,708	10,538,000	10,538,000	50
-COMMON STOCK	61,882,072	64,871,527	42,390,076	44,534,392	35,578,922	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	1,666,029	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	216,752,440	179,633,479	153,099,723	119,756,672	104,789,374	53
APPROPRIATED RETAINED EARNINGS	42,347	42,347	42,347	42,347	42,347	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	55
TOTAL RETAINED EARNINGS, END OF YEAR	$ 216,794,787	$ 179,675,826	$ 153,142,070	$ 119,799,019	$ 104,831,721	56
	SELECTED BALANCE SHEET RELATIONSHIPS					
ELEC. UTILITY PLANT/DOLLAR OF ELEC REVENUE	3.88	3.23	2.92	2.99	2.93	57
OTHER UTILITY PLANT/DOLLAR OTHER REVENUE	1.09	0.98	0.98	0.96	1.09	58
TOTAL UTILITY PLANT/DOLLAR TOTAL REVENUE	2.71	2.35	2.17	2.17	2.22	59
CURRENT ASSETS / BY CURRENT LIABILITIES	1.62	1.67	1.88	1.14	1.57	60
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	49.2	48.5	47.2	47.0	46.8	61
PREFERRED STOCK	7.3	10.1	11.1	12.6	13.9	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	29.5	28.5	29.7	29.8	29.1	63
RETAINED EARNINGS	13.8	12.6	11.8	10.4	10.0	64
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	36.6	36.3	36.2	34.9	34.2	65
% OF NET UTILITY PLANT	48.5	46.5	48.9	48.7	47.1	66
ACCUM PROVISION FOR DEPR. % OF UTILITY PLT	26.7	27.2	26.0	28.2	27.4	67
	SELECTED INCOME ACCOUNT RELATIONSHIPS					
ELECTRIC OPERATING REVENUES:						
% OF TOTAL OPERATING REVENUES	62.9	60.8	61.3	59.4	61.4	68
PERCENT OF ELECTRIC OPERATING REVENUES:						
ELECTRIC OPERATION AND MAINTENANCE	47.2	52.1	55.0	58.5	61.6	69
ELECTRIC DEPRECIATION AND AMORTIZATION	8.2	7.2	7.0	7.2	7.0	70
TOTAL INCOME TAXES-ELECTRIC, OPERATING	10.9	9.9	7.4	4.4	3.0	71
OTHER TAXES-ELECTRIC, OPERATING	12.4	12.4	12.4	13.0	12.6	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL ELECTRIC OPERATING EXPENSE	78.9	81.8	82.0	83.3	84.3	74
ELECTRIC OPERATING INCOME	21.0	18.1	17.9	16.6	15.6	75
ELEC. DEPR. AND AMORT. % OF ELEC. UTILITY PLT	2.1	2.1	2.2	2.3	2.2	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	9.6	8.4	7.9	7.7	6.9	77
PRETAX INTEREST COVERAGE	3.1	3.3	2.9	2.6	2.8	78
NET INCOME-PERCENT OF OPERATING REVENUES	14.3	13.2	11.4	10.2	10.7	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	1.2	1.5	1.3	1.5	1.7	80
TIMES EARNED	11.5	8.5	8.2	6.6	6.2	81
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	8.1	8.2	5.8	6.5	5.8	82
% OF EARNINGS AVAILABLE FOR COMMON	62.5	70.9	56.9	74.8	64.9	83
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	15.6	16.2	15.1	13.6	14.0	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	9.8	11.5	8.4	10.2	9.1	85

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MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ROCHESTER GAS AND ELECTRIC CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 108,468,481	$ 103,618,097	$ 86,247,835	$ 70,039,690	$ 65,313,229
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	65,849,396	59,294,449	57,795,965	53,752,322	56,683,094
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	27,535,227	28,203,456	22,460,219	14,110,446	6,172,981
4	INTEREST CAPITALIZED	52,732,548-	46,522,889-	36,091,814-	28,715,430-	21,110,341-
5	OTHER (NET):	9,281,421-	11,390,108	17,274,526	2,611,819-	20,098,821
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	139,839,135	155,983,221	147,686,731	106,575,209	127,157,784
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	139,839,135	155,983,221	147,686,731	106,575,209	127,157,784
10	LESS DIVIDENDS PREFERRED	9,467,448	12,212,814	10,514,708	10,538,000	10,538,000
11	COMMON	61,882,072	64,871,527	42,390,076	36,109,224	28,594,193
12	NET FUNDS FROM INTERNAL SOURCES	68,489,615	78,898,880	94,781,947	59,927,985	88,025,591
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	50,000,000	25,000,000	100,000,000	60,500,000	50,000,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	56,905,850	19,530,772	42,939,080	32,824,401	8,182,351
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	40,000,000	-
17	OTHER (NET)	40,474,218	51,700,000	102,139	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	147,380,068	96,230,772	143,041,219	133,324,401	58,182,351
20	OTHER SOURCES (NET):	13,878,362	10,037,160	1,594,066	-	3,339,423
21						
22						
23	TOTAL FUNDS PROVIDED	$ 229,748,045	$ 185,166,812	$ 239,417,232	$ 193,252,386	$ 149,547,365
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	ELECTRIC PLANT	$ 29,319,237	$ 27,407,531	$ 31,967,241	$ 68,610,762	$ 29,161,636
25	NUCLEAR PLANT	176,198,177	156,648,606	138,067,672	70,544,081	78,007,680
26	NUCLEAR FUEL	16,655,510	19,775,779	16,678,479	17,318,115	14,906,559
27	GAS PLANT	12,315,238	11,434,160	11,493,393	11,336,074	13,205,246
28	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
29	STEAM PLANT	112,084	134,685	117,048	370,185	52,348-
30	NON-UTILITY PLANT	-	-	-	-	-
31	OTHER	8,240,347	10,530,509	4,727,831	5,426,388	3,645,242
32	TOTAL GROSS ADDITIONS	242,840,593	225,931,270	203,051,664	173,605,605	138,874,015
33	LESS INTEREST CAPITALIZED	52,732,548	46,522,889	36,091,814	28,715,430	21,110,341
34	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	190,108,045	179,408,381	166,959,850	144,890,175	117,763,674
	RETIREMENT OF DEBT AND SECURITIES					
35	LONG TERM DEBT	10,000,000	-	29,667,000	6,000,000	-
36	PREFERRED STOCK	1,640,000	-	812,500	-	-
37	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
38	NET DECREASE IN SHORT TERM DEBT	-	-	40,000,000	-	25,300,000
39	OTHER (NET):	28,000,000	-	-	-	-
40						
41	TOTAL RETIREMENT OF DEBT AND SECURITIES	39,640,000	-	70,479,500	6,000,000	25,300,000
42	OTHER USES (NET):	-	5,758,431	1,977,882	42,362,211	6,483,691
43						
44						
45	TOTAL FUNDS APPLIED	$ 229,748,045	$ 185,166,812	$ 239,417,232	$ 193,252,386	$ 149,547,365

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

ROCHESTER GAS AND ELECTRIC CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO.
		ELECTRIC OPERATING REVENUES				
REVENUES						
RESIDENTIAL	$ 155,193,512	$ 147,500,162	$ 143,455,486	$ 129,201,644	$ 111,549,365	1
COMMERCIAL AND INDUSTRIAL	232,428,664	227,879,659	222,207,534	200,657,128	175,503,665	2
PUBLIC STREET AND HIGHWAY LIGHTING	10,560,815	10,587,882	10,705,227	9,953,570	8,728,129	3
OTHER PUBLIC AUTHORITIES	27,654,453	27,789,704	29,049,604	25,630,869	22,848,668	4
RAILROADS AND RAILWAYS	-	-	-	-	-	5
INTERDEPARTMENTAL	-	-	-	-	-	6
TOTAL REVENUES FROM ULTIMATE CONSUMERS	425,835,244	413,557,407	405,417,851	365,443,231	318,629,817	7
RESALE	44,103,222	60,103,580	55,643,595	38,481,010	54,301,430	8
TOTAL REVENUES FROM ELECTRIC SALES	469,938,466	473,660,987	461,061,446	403,924,241	372,931,247	9
OTHER ELECTRIC OPERATING REVENUES	3,615,001	3,298,137	2,530,160	1,773,905	1,694,880	10
TOTAL ELECTRIC OPERATING REVENUES	$ 473,553,467	$ 476,959,124	$ 463,591,606	$ 405,698,146	$ 374,626,127	11
KILOWATT-HOUR SALES (THOUSANDS)						
RESIDENTIAL	1,846,993	1,834,584	1,788,785	1,757,252	1,752,335	12
COMMERCIAL AND INDUSTRIAL	3,408,130	3,323,077	3,101,523	3,035,236	3,101,482	13
PUBLIC STREET AND HIGHWAY LIGHTING	46,321	48,002	50,431	52,147	53,921	14
OTHER PUBLIC AUTHORITIES	405,821	404,187	411,658	393,358	406,891	15
RAILROADS AND RAILWAYS	-	-	-	-	-	16
INTERDEPARTMENTAL	-	-	-	-	-	17
TOTAL SALES TO ULTIMATE CONSUMERS	5,706,265	5,609,830	5,352,397	5,237,992	5,314,630	18
RESALE	1,404,504	1,554,392	1,370,239	1,131,143	1,371,077	19
TOTAL KILOWATT-HOUR SALES	7,109,769	7,164,222	6,722,636	6,369,135	6,685,707	20
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	275,236	270,572	266,587	263,413	259,456	21
COMMERCIAL AND INDUSTRIAL	27,263	26,745	26,251	26,022	26,099	22
PUBLIC STREET AND HIGHWAY LIGHTING	237	183	156	154	152	23
OTHER PUBLIC AUTHORITIES	2,042	2,031	2,016	2,057	2,115	24
RAILROADS AND RAILWAYS	-	-	-	-	-	25
INTERDEPARTMENTAL	-	-	-	-	-	26
TOTAL ULTIMATE CONSUMERS	304,777	299,531	295,010	291,646	287,822	27
RESALE	8	8	8	8	8	28
TOTAL CUSTOMERS	304,785	299,539	295,018	291,654	287,830	29
ELECTRIC OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 563.86	$ 545.14	$ 538.12	$ 490.49	$ 429.94	30
AVERAGE KWH CONSUMPTION PER CUSTOMER	6,711	6,780	6,710	6,671	6,754	31
AVERAGE REVENUE PER KWH SOLD (CENTS)	8.40	8.04	8.02	7.35	6.37	32
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 8,525.35	$ 8,512.98	$ 8,464.73	$ 7,711.06	$ 6,724.54	33
AVERAGE KWH CONSUMPTION PER CUSTOMER	124,936	124,250	118,149	116,641	118,835	34
AVERAGE REVENUE PER KWH SOLD (CENTS)	6.82	6.85	7.16	6.61	5.66	35
		ELECTRIC OPERATION AND MAINTENANCE EXPENSES				
POWER PRODUCTION EXPENSES						
STEAM POWER						
FUEL	$ 53,547,059	$ 73,159,096	$ 77,253,036	$ 65,013,563	$ 72,582,755	36
OTHER	12,028,467	11,715,784	10,182,566	10,287,068	5,837,229	37
TOTAL STEAM POWER EXPENSES	65,573,526	84,874,880	87,435,602	75,300,631	78,419,984	38
NUCLEAR POWER						
FUEL	18,163,123	17,340,760	18,954,214	17,469,589	24,915,462	39
OTHER	31,609,327	32,678,983	26,955,130	29,570,446	22,481,003	40
TOTAL NUCLEAR POWER EXPENSES	49,772,450	50,019,743	45,909,344	47,040,035	47,396,465	41
HYDRAULIC POWER						
WATER FOR POWER	189,652	289,975	224,728	242,969	269,834	42
OTHER	1,426,299	1,213,881	955,002	869,998	846,465	43
TOTAL HYDRAULIC POWER EXPENSES	1,615,951	1,503,856	1,179,730	1,112,967	1,116,299	44
OTHER POWER GENERATION						
FUEL	216,643	85,592	686,075	2,191,435	1,113,720	45
OTHER	487,651	93,922	173,770	149,380	183,190	46
TOTAL OTHER POWER GENERATION EXPENSE	704,294	179,514	859,845	2,340,815	1,296,910	47
OTHER POWER SUPPLY EXPENSES						
PURCHASED POWER	27,803,662	35,772,286	35,538,153	45,920,676	29,706,286	48
OTHER	843,734	757,483	689,357	870,995	330,370	49
TOTAL OTHER POWER SUPPLY EXPENSES	28,647,396	36,529,749	36,227,510	46,791,671	30,036,656	50
TOTAL POWER PRODUCTION EXPENSES	146,313,617	173,107,742	171,612,031	172,586,119	158,266,314	51
TRANSMISSION EXPENSES	9,070,837	8,793,496	8,589,931	7,840,741	8,500,990	52
DISTRIBUTION EXPENSES	19,686,495	18,852,823	18,758,340	17,999,756	17,095,574	53
CUSTOMER ACCOUNTS EXPENSES	8,581,194	10,335,647	10,984,280	9,358,027	8,151,285	54
SALES EXPENSES	2,375,094	2,384,893	2,238,151	1,957,095	1,828,552	55
ADMINISTRATIVE AND GENERAL	37,760,148	36,274,950	43,236,331	27,935,383	37,063,110	56
TOTAL ELECTRIC OPERATION/MAINTENANCE EXPENSES	$ 223,787,385	$ 248,749,551	$ 255,421,064	$ 237,677,721	$ 230,905,825	57
		ELECTRIC UTILITY PLANT*				
ELECTRIC UTILITY PLANT						
ELECTRIC PLANT IN SERVICE						
INTANGIBLE PLANT	-	-	-	-	-	58
PRODUCTION PLANT						
STEAM	190,644,420	186,672,265	183,287,098	179,799,229	96,710,854	59
NUCLEAR	255,067,385	236,070,721	214,984,615	182,754,383	159,487,324	60
HYDRAULIC	13,769,459	11,384,525	10,750,979	10,675,413	10,636,806	61
OTHER	3,572,780	3,572,780	3,552,832	3,526,689	3,449,030	62
TRANSMISSION PLANT	143,755,487	142,217,676	135,701,723	131,699,440	122,861,863	63
DISTRIBUTION PLANT	316,217,634	303,751,220	289,861,168	277,144,571	283,318,567	64
GENERAL PLANT	17,922,827	22,568,342	11,839,730	10,286,737	92,517,756	65
ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-	66
EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-	67
NUCLEAR FUEL ASSEMBLIES	196,858,845	181,011,836	161,538,557	145,112,578	127,794,463	68
TOTAL ELECTRIC PLANT IN SERVICE	1,137,806,837	1,087,249,365	1,011,516,702	940,979,040	876,776,663	69
PLANT LEASED TO OTHERS	-	-	-	-	-	70
PLANT HELD FOR FUTURE USE	1,978,198	1,983,835	2,025,350	2,025,350	2,025,350	71
CONSTRUCTION WORK IN PROGRESS	703,396,293	548,669,461	426,992,265	341,669,602	275,481,619	72
PLANT ACQUISITION ADJUSTMENTS	2,270,824	2,349,128	2,427,432	2,505,737	2,584,041	73
TOTAL ELECTRIC UTILITY PLANT	1,845,454,152	1,640,231,789	1,442,961,749	1,287,179,729	1,156,867,673	74
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	481,211,396	437,781,057	398,781,446	356,904,445	315,885,857	75
NET ELECTRIC UTILITY PLANT	$ 1,364,242,757	$ 1,202,450,732	$ 1,044,180,303	$ 910,275,284	$ 840,981,816	76
PLANT IN SERVICE BEGINNING OF YEAR	$ 1,087,249,365	$ 1,011,516,702	$ 940,979,040	$ 876,776,663	$ 816,381,828	77
ADDITIONS	55,656,138	67,958,705	72,685,564	68,667,763	67,940,164	78
RETIREMENTS	5,237,933	5,253,811	3,319,164	2,981,085	4,067,946	79
TRANSFERS AND ADJUSTMENTS	141,267	13,027,769	1,171,262	1,484,301-	3,457,383-	80
PLANT IN SERVICE END OF YEAR	$ 1,137,806,837	$ 1,087,249,365	$ 1,011,516,702	$ 940,979,040	$ 876,776,663	81

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS

YEARS ENDED DECEMBER 31

ROCHESTER GAS AND ELECTRIC CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES - ULTIMATE CONSUMERS	$ 429,450,245	$ 416,855,544	$ 407,948,011	$ 367,217,136	$ 320,324,697
2	SALES-ULTIMATE CONSUMERS (000 KWH)	5,705,285	5,609,829	5,352,396	5,237,992	5,314,630
				DOLLAR AMOUNTS		
3	FUEL AND PURCHASED POWER	$ 65,254,171	$ 85,153,864	$ 92,750,050	$ 96,053,583	$ 86,918,328
4	WAGES AND BENEFITS	70,856,864	67,492,408	63,422,753	60,110,600	55,997,878
5	OTHER OPERATION AND MAINTFNANCE EXPENSES	51,805,878	53,068,364	57,971,866	45,597,747	44,948,813
6	DEPRECIATION AND AMORTIZATION EXPENSES	39,014,917	34,808,273	32,647,562	29,428,311	26,280,790
7	INCOME TAXES - OPERATING	52,067,436	47,409,436	34,339,034	18,010,371	11,406,861
8	OTHER TAXES - OPERATING	58,867,221	59,215,611	57,930,964	52,956,276	47,436,502
9	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	37,624,467	33,358,275	31,568,717	30,441,876	24,299,300
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	5,079,992	6,704,507	5,715,066	6,423,776	7,047,158
11	EARNINGS AVAILABLE FOR COMMON EQUITY	49,079,299	29,644,809	31,602,009	28,194,596	15,989,067
12	TOTAL	$ 429,450,245	$ 416,855,544	$ 407,948,011	$ 367,217,136	$ 320,324,697
				PERCENT OF REVENUES - ULTIMATE CONSUMERS		
13	FUEL AND PURCHASED POWER	15.2	20.4	22.7	26.2	27.1
14	WAGES AND BENEFITS	16.5	16.2	15.5	16.4	17.5
15	OTHER OPERATION AND MAINTENANCE EXPENSES	12.1	12.7	14.2	12.4	14.0
16	DEPRECIATION AND AMORTIZATION EXPENSES	9.1	8.4	8.0	8.0	8.2
17	INCOME TAXES - OPERATING	12.1	11.4	8.4	4.9	3.6
18	OTHER TAXES - OPERATING	13.7	14.2	14.2	14.4	14.8
19	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	8.8	8.0	7.7	8.3	7.6
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1.2	1.6	1.4	1.7	2.2
21	EARNINGS AVAILABLE FOR COMMON EQUITY	11.4	7.1	7.7	7.7	5.0
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER KWH		
23	FUEL AND PURCHASED POWER	1.14	1.52	1.73	1.83	1.64
24	WAGES AND BENEFITS	1.24	1.20	1.18	1.15	1.05
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.91	0.95	1.08	0.87	0.85
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.68	0.62	0.61	0.56	0.49
27	INCOME TAXES - OPERATING	0.91	0.85	0.64	0.34	0.21
28	OTHER TAXES - OPERATING	1.03	1.06	1.08	1.01	0.89
29	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	0.66	0.59	0.59	0.58	0.46
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.09	0.12	0.11	0.12	0.13
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.86	0.53	0.59	0.54	0.30
32	TOTAL	7.53	7.43	7.62	7.01	6.03
	* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	89.03	87.49	86.17	84.85	84.25

SECTION II.

GAS SERVICE COMPANIES

Balance Sheets
Income Statements
Statements of Changes in Financial Position
Statements of Revenue, Plant, and Operation and Maintenance
Distribution of Gas Revenues

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

BROOKLYN UNION GAS COMPANY, THE

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 901,135,110	$ 836,248,576	$ 779,651,540	$ 727,185,861	$ 682,718,712
2	ACCUM. PROVISION FOR DEPR. AND AMORT.	219,239,118	200,918,570	183,953,129	167,355,487	155,972,187
3	NET GAS UTILITY PLANT	681,895,992	635,330,006	595,698,411	559,830,374	526,746,525
4	OTHER UTILITY PLANT	-	-	-	-	-
5	ACCUM. PROVISION FOR DEPR. AND AMORT.	-	-	-	-	-
6	NET OTHER UTILITY PLANT	-	-	-	-	-
7	TOTAL UTILITY PLANT	901,135,110	836,248,576	779,651,540	727,185,861	682,718,712
8	ACCUM. PROVISION FOR DEPR. AND AMORT.	219,239,118	200,918,570	183,953,129	167,355,487	155,972,187
9	NET TOTAL UTILITY PLANT	681,895,992	635,330,006	595,698,411	559,830,374	526,746,525
10	NONUTILITY PROPERTY LESS ACCUM. PROV FOR DEPRECIATION AND AMORTIZATION	130,867	476,183	51,316	51,316	51,316
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	34,915,553	33,862,172	32,551,467	26,298,404	22,894,282
13	OTHER INVESTMENTS	629,700	409,700	409,700	417,565	132,565
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	35,676,120	34,748,055	33,012,483	26,767,285	23,078,163
16	CASH	3,995,265	3,820,818	2,877,765	2,548,799	5,097,485
17	SPECIAL DEPOSITS	851,832	551,861	610,578	657,693	611,879
18	WORKING FUNDS	175,000	145,000	141,675	140,000	135,000
19	TEMPORARY CASH INVESTMENTS	23,436,669	-	-	-	-
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	13,529,978	25,758,465	44,476,270	27,828,967	20,839,490
21	RECEIVABLES FROM ASSOCIATED COMPANIES	671,261	871,228	538,777	580,775	505,719
22	MATERIALS AND SUPPLIES	14,114,193	17,152,303	14,450,010	14,982,810	16,128,374
23	GAS STORED UNDERGROUND-CURRENT	3,936,873	3,682,098	3,749,012	2,534,001	739,300
24	LIQUEFIED NATURAL GAS IN STORAGE	6,191,923	5,682,831	4,923,790	4,421,286	3,648,111
25	PREPAYMENTS	97,993,890	96,395,009	96,332,265	114,029,107	86,551,920
26	OTHER CURRENT AND ACCRUED ASSETS	137,551,519	113,141,058	127,446,192	95,900,031	101,521,622
27	TOTAL CURRENT AND ACCRUED ASSETS	302,448,403	267,200,671	295,546,334	263,623,469	235,778,900
28	UNAMORTIZED DEBT EXPENSE	7,668,324	3,209,585	3,510,332	1,816,908	2,061,240
29	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
30	PREL. SURVEY + INVESTIGATION CHARGES	291,593	336,124	103,388	378,944	393,868
31	CLEARING ACCOUNTS	639,908	792,874	413,365	621,159	383,842
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	1,612,178-	1,123,734-	453,159-	512,324	372,478-
34	ACCUMULATED DEFERRED INCOME TAXES	200,477	1,872,806	753,476	10,071-	-
35	OTHER DEFERRED DEBITS	8,963,284	26,596,476	16,982,969	28,498,342	3,227,866
36	TOTAL DEFERRED DEBITS	16,151,408	31,684,131	21,310,369	31,815,606	5,694,338
37	TOTAL ASSETS AND OTHER DEBITS	$ 1,036,171,923	$ 968,962,863	$ 945,567,597	$ 882,036,734	$ 791,297,926
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 10,741,921	$ 10,304,445	$ 9,838,532	$ 8,451,446	$ 8,128,679
39	PREFERRED STOCK ISSUED	77,000,000	78,600,000	80,200,000	81,800,000	83,400,000
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	125,141,781	109,266,786	95,803,903	57,139,970	49,494,798
43	OTHER PAID-IN CAPITAL	60,471,290	60,340,150	60,098,455	60,009,786	59,689,835
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	-	-	-	-	-
46	RETAINED EARNINGS	185,629,629	166,738,657	150,038,033	134,920,407	119,219,175
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	2,636,789-	2,215,170-	2,950,876-	2,233,941-	2,534,530-
48	REACQUIRED CAPITAL STOCK	1,138,800-	1,715,375-	2,140,525-	3,051,525-	3,586,726-
49	TOTAL PROPRIETARY CAPITAL	455,209,012	421,317,493	390,890,522	337,036,143	313,811,231
50	BONDS (LESS BONDS REACQUIRED)	335,316,926	261,719,633	241,781,322	236,837,000	240,965,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	1,178,571	1,571,429	1,964,286	2,357,143	2,750,000
53	NET UNAMORTIZED PREMIUM + DISCOUNT	958,754-	1,079,061-	1,250,416-	860,499-	1,015,880-
54	TOTAL LONG TERM DEBT	335,536,743	262,212,001	242,495,192	238,333,644	242,699,120
55	NOTES PAYABLE	-	47,034,285	74,401,755	91,950,000	40,500,000
56	ACCOUNTS PAYABLE	67,189,663	59,111,425	64,895,721	66,655,394	60,691,661
57	PAYABLES TO ASSOCIATED COMPANIES	2,321,571	1,947,125	2,763,459	3,449,175	2,102,243
58	CUSTOMER DEPOSITS	14,872,503	12,727,277	11,596,838	10,537,565	9,519,478
59	TAXES ACCRUED	34,612,016	32,329,064	42,340,506	28,776,872	32,090,256
60	INTEREST ACCRUED	10,397,018	9,270,125	8,545,827	8,966,309	9,505,791
61	DIVIDENDS DECLARED	9,065,815	8,181,690	7,551,019	6,343,970	5,674,595
62	TAX COLLECTIONS PAYABLE	3,500,881	4,417,043	4,611,613	4,102,394	3,686,873
63	OTHER CURRENT AND ACCRUED LIABILITIES	19,356,286	26,007,246	20,968,029	21,700,274	29,399,846
64	TOTAL CURRENT AND ACCRUED LIABILITIES	161,335,753	201,025,280	237,674,767	242,481,953	193,170,743
65	CUSTOMER ADVANCES FOR CONSTRUCTION	382,000	382,000	-	-	-
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	29,768,980	25,724,404	20,701,220	16,171,834	12,285,024
68	OTHER DEFERRED CREDITS	2,962,531	5,576,143	3,203,862	1,814,596	2,768,925
	ACCUMULATED DEFERRED INCOME TAXES:					
69	ACCELERATED AMORTIZATION	-	-	-	-	-
70	LIBERALIZED DEPRECIATION	41,363,091	34,290,561	27,061,138	20,729,662	15,300,797
71	OTHER	6,214,085	15,038,179	20,414,677	22,903,499	8,985,287
72	TOTAL DEFERRED CREDITS	80,690,687	81,011,287	71,380,897	61,619,591	39,340,033
73	PROPERTY INSURANCE RESERVE	-	-	-	-	-
74	INJURIES AND DAMAGE RESERVES	2,702,700	2,747,975	2,543,422	2,031,364	1,811,005
75	PENSION AND BENEFITS RESERVE	-	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	697,028	648,847	582,797	534,049	465,794
77	TOTAL OPERATING RESERVES	3,399,728	3,396,822	3,126,219	2,565,413	2,276,799
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,036,171,923	$ 968,962,863	$ 945,567,597	$ 882,036,734	$ 791,297,926

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

BROOKLYN UNION GAS COMPANY, THE

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 1,004,627,971	$ 1,003,715,390	$ 952,223,534	$ 850,933,706	$ 746,944,794	1
OPERATION AND MAINTENANCE EXPENSE	734,131,442	745,206,527	708,696,837	630,188,079	563,124,344	2
DEPRECIATION EXPENSE	22,229,564	21,158,701	19,737,832	17,691,514	16,508,103	3
AMORTIZATION	410,439	731,039	566,297	834,037	1,265,826	4
TAXES OTHER THAN INCOME TAXES	118,700,770	114,987,473	106,832,177	93,478,688	83,547,341	5
INCOME TAXES	43,831,553	35,076,645	30,713,281	12,976,288	13,855,369	6
PROVISION FOR DEFERRED INCOME TAXES	56,749,831	59,557,141	72,767,504	70,433,934	13,883,158	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	58,485,949-	57,686,357-	68,958,142-	51,086,867-	7,177,530-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	419,500-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	917,567,650	919,031,169	870,355,786	774,515,673	684,587,111	12
NET OPERATING REVENUES	87,060,321	84,684,221	81,867,748	76,418,033	62,357,683	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	87,060,321	84,684,221	81,867,748	76,418,033	62,357,683	15
OTHER UTILITY OPERATING INCOME	-	-	-	-	-	16
TOTAL UTILITY OPERATING INCOME	87,060,321	84,684,221	81,867,748	76,418,033	62,357,683	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	20,186	92,397	144,886-	90,604-	79,999-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	7,195	26,370	53,853	23,238	22,642	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	357,731-	799,593	653,048-	338,922	208,702	21
INTEREST AND DIVIDEND INCOME	5,342,543	3,853,288	2,482,586	1,135,925	970,197	22
ALLOWANCE FOR CONSTRUCTION FUNDS	1,147,673	759,467	756,658	693,880	448,226	23
MISCELLANEOUS NONOPERATING INCOME	706,616	836,022	563,352	1,031,720	1,154,595	24
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	707,024	25
TOTAL OTHER INCOME	6,866,482	6,367,137	3,058,515	3,133,081	3,431,387	26
TOTAL INCOME	93,926,803	91,051,358	84,926,263	79,551,114	65,789,070	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	177,947	300,491	264,095	13,186	193,271	28
INCOME TAXES-NONOPERATING	769,635	312,345	39,359	282,945-	972,226-	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	1,284,031	1,215,190	681,451	605,685	529,856	32
TOTAL INCOME DEDUCTIONS	2,231,613	1,828,026	984,905	335,926	249,099-	33
INCOME BEFORE INTEREST CHARGES	91,695,190	89,223,332	83,941,358	79,215,188	66,038,169	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	28,354,120	25,544,021	23,548,045	23,602,036	17,372,043	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	493,532	485,826	462,099	410,104	233,115	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	32,110-	32,412-	33,875-	35,975-	36,517-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	42,085	54,647	34,886	109,170	1,028	38
OTHER INTEREST EXPENSE	3,139,779	7,033,570	8,894,460	8,078,210	9,245,173	39
TOTAL INTEREST CHARGES	31,997,406	33,085,652	32,905,615	32,163,545	26,814,842	40
INCOME BEFORE EXTRAORDINARY ITEMS	59,697,784	56,137,680	51,035,743	47,051,643	39,223,327	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 59,697,784	$ 56,137,680	$ 51,035,743	$ 47,051,643	$ 39,223,327	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 166,736,657	$ 150,038,033	$ 134,920,407	$ 119,219,175	$ 106,883,083	47
BALANCE TRANSFERRED FROM INCOME	60,055,515	55,338,087	51,688,791	46,712,721	39,014,625	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	7,847,925	7,943,150	8,044,661	8,071,456	5,802,712	50
-COMMON STOCK	33,353,712	30,715,085	28,376,632	22,936,806	19,918,490	51
ADJUSTMENTS TO RETAINED EARNINGS	39,094	18,772	149,872-	3,227-	957,331-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	185,629,629	166,736,657	150,038,033	134,920,407	119,219,175	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	2,636,789-	2,215,170-	2,950,876-	2,233,941-	2,534,530-	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 182,992,840	$ 164,521,487	$ 147,087,157	$ 132,686,466	$ 116,684,645	56
SELECTED BALANCE SHEET RELATIONSHIPS						
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	0.86	0.80	0.79	0.83	0.88	57
OTHER UTILITY PLT./DOLLAR OF OTHER REVENUE	-	-	-	-	-	58
TOTAL UTILITY PLT./DOLLAR OF TOTAL REVENUE	0.86	0.80	0.79	0.83	0.88	59
CURRENT ASSETS / BY CURRENT LIABILITIES	1.87	1.33	1.24	1.09	1.22	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	42.4	38.3	38.2	41.4	43.6	61
PREFERRED STOCK	9.7	11.4	12.6	14.2	14.9	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	24.3	25.7	25.3	20.9	19.9	63
RETAINED EARNINGS	23.4	24.3	23.6	23.4	21.4	64
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	37.2	31.3	31.1	32.7	35.5	65
% OF NET UTILITY PLANT	49.2	41.2	40.7	42.5	46.0	66
ACCUM PROVISION FOR DEPR.: % OF UTILITY PLT	24.3	24.0	23.5	23.0	22.8	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	100.0	100.0	100.0	100.0	100.0	68
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	73.0	74.2	74.4	74.0	75.3	69
GAS DEPRECIATION AND AMORTIZATION	2.2	2.1	2.1	2.1	2.3	70
TOTAL INCOME TAXES-GAS, OPERATING	4.1	3.6	3.6	3.7	2.6	71
OTHER TAXES-GAS, OPERATING	11.8	11.4	11.2	10.9	11.1	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL GAS OPERATING EXPENSE	91.3	91.5	91.4	91.0	91.6	74
GAS OPERATING INCOME	8.6	8.4	8.5	8.9	8.3	75
GAS DEPR. AND AMORT. % OF GAS UTILITY PLT	2.5	2.6	2.6	2.5	2.6	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	3.2	3.3	3.5	3.8	3.6	77
PRETAX INTEREST COVERAGE	4.2	3.8	3.6	3.5	3.2	78
NET INCOME-PERCENT OF OPERATING REVENUES	5.9	5.5	5.3	5.5	5.2	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.7	0.7	0.8	0.9	0.7	80
TIMES EARNED	7.6	7.1	6.3	5.8	6.8	81
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	3.3	3.0	2.9	2.6	2.6	82
% OF EARNINGS AVAILABLE FOR COMMON	64.3	63.7	66.0	58.8	59.5	83
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	14.3	14.7	15.1	16.0	15.0	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	9.2	9.4	10.0	9.4	8.9	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

BROOKLYN UNION GAS COMPANY, THE

LINE NO		1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 59,697,784	$ 56,137,680	$ 51,035,743	$ 47,051,643	$ 39,223,327
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	24,886,933	23,300,205	21,103,587	19,086,394	18,477,256
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	3,965,341	5,756,779	7,608,505	23,243,949	10,183,723
4	INTEREST CAPITALIZED	1,147,673-	759,467-	756,658-	693,880-	448,226-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	87,382,385	84,435,197	78,991,177	88,688,106	67,436,080
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	87,382,385	84,435,197	78,991,177	88,688,106	67,436,080
10	LESS DIVIDENDS: PREFERRED	7,847,925	7,943,150	8,044,661	8,071,456	5,802,712
11	COMMON	33,353,712	30,715,085	28,376,632	22,936,806	19,918,490
12	NET FUNDS FROM INTERNAL SOURCES	46,180,748	45,776,962	42,569,884	57,679,844	41,714,878
	EXTERNAL SOURCES					
13	LONG TERM DEBT	112,480,293	51,592,821	39,638,078	-	52,750,000
14	PREFERRED STOCK	-	-	-	-	20,000,000
15	COMMON STOCK	16,312,451	13,925,796	40,054,014	7,967,939	5,210,495
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	51,450,000	25,500,000
17	OTHER (NET)	-	-	-	535,201	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	128,792,744	65,518,617	79,692,092	59,953,140	103,460,495
20	OTHER SOURCES (NET)	9,596,557	19,063,646	6,863,173	-	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 184,570,049	$ 130,359,225	$ 129,125,149	$ 117,632,984	$ 145,175,373
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	GAS PLANT	$ 62,691,872	$ 59,403,915	$ 56,147,609	$ 51,713,862	$ 45,706,214
25	LIQUEFIED NATURAL GAS PLANT	8,134,644	3,865,632	838,620	233,462	1,980,305
26	NON-UTILITY	345,316-	-	-	-	-
27	OTHER	-	-	-	-	-
28	TOTAL GROSS ADDITIONS	70,481,200	63,269,547	56,986,229	51,947,324	47,686,519
29	LESS INTEREST CAPITALIZED	1,147,673	759,467	756,658	693,880	448,226
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	69,333,527	62,510,080	56,229,571	51,253,444	47,238,293
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	86,310,123	5,414,857	15,074,775	4,365,476	5,909,969
32	PREFERRED STOCK	1,600,000	1,600,000	1,600,000	1,600,000	1,000,000
33	REDEMPTION OF CAPITAL STOCK	576,575-	425,150-	911,000-	-	171,302
34	NET DECREASE IN SHORT TERM DEBT	-	54,000,000	37,950,000	-	-
35	OTHER (NET)	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	87,333,548	60,589,707	53,713,775	5,965,476	7,081,271
38	OTHER USES (NET)	27,902,974	7,259,438	19,181,803	60,414,064	90,855,809
39						
40						
41	TOTAL FUNDS APPLIED	$ 184,570,049	$ 130,359,225	$ 129,125,149	$ 117,632,984	$ 145,175,373

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

BROOKLYN UNION GAS COMPANY, THE

ITEM	1985	1984	1983	1982	1981	LINE NO
GAS OPERATING REVENUES						
REVENUES						
RESIDENTIAL	$ 778,608,883	$ 786,159,228	$ 744,109,489	$ 665,707,769	$ 539,495,229	1
COMMERCIAL AND INDUSTRIAL	164,755,052	165,892,838	161,398,859	148,781,875	153,338,370	2
OTHER SALES TO PUBLIC AUTHORITIES	41,659,715	43,717,583	37,585,160	29,469,247	24,346,057	3
INTERDEPARTMENTAL	-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	985,023,850	995,789,649	943,093,508	843,958,891	717,179,656	5
RESALE	16,488,778	4,329,562	5,054,143	2,993,806	25,435,680	6
TOTAL REVENUES FROM SALES OF GAS	1,001,512,428	1,000,099,211	948,147,651	846,952,697	742,615,336	7
OTHER GAS OPERATING REVENUES	3,115,543	3,616,179	4,075,882	3,981,009	4,329,458	8
TOTAL GAS OPERATING REVENUES	$ 1,004,627,971	$ 1,003,715,390	$ 952,223,534	$ 850,933,706	$ 746,944,794	9
GAS SALES (MCF)						
RESIDENTIAL	79,350,612	80,967,629	80,308,403	80,888,912	77,931,521	10
COMMERCIAL AND INDUSTRIAL	23,075,846	21,609,085	22,799,553	21,964,232	27,575,532	11
OTHER SALES TO PUBLIC AUTHORITIES	6,318,301	6,413,651	5,610,704	4,495,540	4,255,070	12
INTERDEPARTMENTAL	-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS	108,744,559	108,990,365	108,718,660	107,348,684	109,762,123	14
RESALE	4,904,543	1,138,031	1,551,121	4,000	2,184,475	15
TOTAL GAS SALES	113,649,102	110,128,396	110,269,781	107,352,684	111,946,598	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	1,044,299	1,038,782	1,034,619	1,030,767	1,028,748	17
COMMERCIAL AND INDUSTRIAL	31,746	31,652	31,506	31,284	31,359	18
OTHER SALES TO PUBLIC AUTHORITIES	2,890	2,825	2,704	2,487	1,813	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	1,078,935	1,073,259	1,068,829	1,064,538	1,061,920	21
RESALE	1	1	1	1	2	22
TOTAL CUSTOMERS	1,078,936	1,073,260	1,068,830	1,064,539.	1,061,922	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 745.58	$ 756.81	$ 719.21	$ 645.84	$ 524.42	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	76	78	78	78	76	25
AVERAGE REVENUE PER MCF SOLD	$ 9.81	$ 9.71	$ 9.27	$ 8.23	$ 6.92	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 5,189.79	$ 5,241.15	$ 5,122.80	$ 4,755.85	$ 4,889.77	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	727	683	724	702	879	28
AVERAGE REVENUE PER MCF SOLD	$ 7.14	$ 7.68	$ 7.08	$ 6.77	$ 5.56	29
GAS OPERATION AND MAINTENANCE EXPENSES						
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	$ 1,727,395	$ 1,683,111	$ 1,594,112	$ 1,314,356	$ 1,795,118	30
MANUFACTURED GAS	8,812,553	9,543,248	11,927,209	10,591,802	24,528,890	31
NATURAL GAS						
PRODUCTION AND GATHERING	-	-	-	-	-	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	502,714,689	525,454,322	508,191,062	450,226,311	379,778,422	35
OTHER	698,459-	524,165-	2,608,943-	1,466,965-	1,168,618-	36
TOTAL PRODUCTION EXPENSE	512,556,178	536,156,516	519,103,440	460,665,504	404,933,812	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	4,914,362	4,892,992	4,843,112	4,624,680	4,227,109	39
TOTAL NATURAL GAS STORAGE EXPENSE	4,914,362	4,892,992	4,843,112	4,624,680	4,227,109	40
TRANSMISSION EXPENSES	-	-	-	-	-	41
DISTRIBUTION EXPENSES	81,347,685	76,964,216	71,995,406	65,482,782	64,968,413	42
CUSTOMER ACCOUNTS EXPENSES	48,319,177	50,731,659	44,135,566	39,970,265	34,800,279	43
SALES EXPENSES	6,071,461	4,814,066	4,810,880	4,385,537	4,012,960	44
ADMINISTRATIVE AND GENERAL EXPENSES	80,922,599	71,647,078	63,808,433	55,059,311	50,181,771	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 734,131,442	$ 745,206,527	$ 708,696,837	$ 630,188,079	$ 563,124,344	46
GAS UTILITY PLANT						
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 11,442	$ 11,442	$ 11,442	$ 11,442	$ 11,442	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	54,006,348	53,188,760	52,816,852	52,631,229	52,256,232	50
NATURAL GAS PLANT	1,609,993	1,837,172	2,373,918	2,771,733	3,376,759	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	53,033,207	48,378,802	46,880,971	46,297,109	46,096,895	54
TRANSMISSION PLANT	-	-	-	-	-	55
DISTRIBUTION PLANT	714,376,208	665,963,096	623,058,657	581,108,586	535,795,384	56
GENERAL PLANT	65,759,335	55,184,420	44,257,679	38,957,461	36,670,265	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	857,650	857,650	857,650	857,650	857,650	60
TOTAL GAS PLANT IN SERVICE	889,654,183	825,421,342	770,257,169	722,635,211	675,064,627	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	325,832	28,661	28,661	28,661	31,361	63
CONSTRUCTION WORK IN PROGRESS	11,155,095	10,798,573	9,365,710	4,521,989	7,622,724	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	901,135,110	836,248,576	779,651,540	727,185,861	682,718,712	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	219,239,118	200,918,570	183,953,129	167,355,487	155,972,187	67
NET GAS UTILITY PLANT	$ 681,895,992	$ 635,330,008	$ 595,698,411	$ 559,830,374	$ 526,746,525	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 825,421,342	$ 770,257,169	$ 722,635,211	$ 675,064,627	$ 625,388,303	69
ADDITIONS	70,224,884	61,768,475	52,117,658	55,046,986	53,797,877	70
RETIREMENTS	6,306,173	6,548,683	4,480,197	7,175,044	4,328,358	71
TRANSFERS AND ADJUSTMENTS	314,130	55,619-	15,503-	301,358-	206,805	72
PLANT IN SERVICE END OF YEAR	$ 889,654,183	$ 825,421,342	$ 770,257,169	$ 722,635,211	$ 675,064,627	73

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

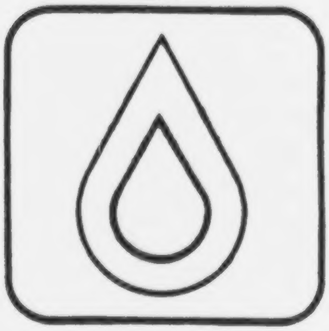
YEARS ENDED DECEMBER 31

BROOKLYN UNION GAS COMPANY THE

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,004,627,971	$ 1,003,715,390	$ 952,223,534	$ 850,933,706	$ 746,944,794
2	SALES (MCF)	113,649,102	110,128,396	110,269,781	107,352,684	111,946,598
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 502,016,230	$ 524,930,157	$ 505,582,119	$ 448,759,346	$ 378,609,804
4	WAGES AND BENEFITS	132,564,658	122,849,614	111,254,814	102,337,562	93,566,192
5	OTHER OPERATION AND MAINTENANCE EXPENSES	99,550,554	97,426,756	91,859,904	79,091,171	90,948,348
6	DEPRECIATION AND AMORTIZATION EXPENSES	22,640,003	21,889,740	20,304,129	18,525,551	17,773,929
7	INCOME TAXES - OPERATING	42,095,435	36,947,429	34,522,643	32,323,355	20,141,497
8	OTHER TAXES - OPERATING	118,700,770	114,987,473	106,832,177	93,478,688	83,547,341
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	31,997,406	33,085,652	32,659,883	31,922,200	26,667,689
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	7,697,924	7,834,166	7,965,140	7,988,919	5,753,560
11	EARNINGS AVAILABLE FOR COMMON EQUITY	47,364,991	43,764,403	41,242,725	36,506,914	29,936,434
12	TOTAL	$ 1,004,627,971	$ 1,003,715,390	$ 952,223,534	$ 850,933,706	$ 746,944,794
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	50.0	52.3	53.1	52.7	50.7
14	WAGES AND BENEFITS	13.2	12.2	11.7	12.0	12.5
15	OTHER OPERATION AND MAINTENANCE EXPENSES	9.9	9.7	9.6	9.3	12.2
16	DEPRECIATION AND AMORTIZATION EXPENSES	2.3	2.2	2.1	2.2	2.4
17	INCOME TAXES - OPERATING	4.2	3.7	3.6	3.8	2.7
18	OTHER TAXES - OPERATING	11.8	11.5	11.2	11.0	11.2
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	3.2	3.3	3.4	3.8	3.6
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.8	0.8	0.8	0.9	0.8
21	EARNINGS AVAILABLE FOR COMMON EQUITY	4.7	4.4	4.3	4.3	4.0
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 4.42	$ 4.77	$ 4.58	$ 4.18	$ 3.38
24	WAGES AND BENEFITS	1.17	1.12	1.01	0.95	0.84
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.88	0.88	0.83	0.74	0.81
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.20	0.20	0.18	0.17	0.16
27	INCOME TAXES - OPERATING	0.37	0.34	0.31	0.30	0.18
28	OTHER TAXES - OPERATING	1.04	1.04	0.97	0.87	0.75
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.28	0.30	0.30	0.30	0.24
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.07	0.07	0.07	0.07	0.05
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.42	0.40	0.37	0.34	0.27
32	TOTAL	$ 8.84	$ 9.11	$ 8.64	$ 7.93	$ 6.67

*THIS IS A STRAIGHT GAS COMPANY, THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY

GAS



MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 88,341,074	$ 64,204,437	$ 61,375,512	$ 59,860,042	$ 57,890,164
2	ACCUM. PROVISION FOR DEPR. AND AMORT	25,635,882	23,237,386	20,642,422	19,396,739	17,787,915
3	NET GAS UTILITY PLANT	42,705,192	40,967,061	40,733,090	40,463,303	40,102,249
4	OTHER UTILITY PLANT	985,426,660	864,586,516	759,414,997	687,253,413	626,875,278
5	ACCUM. PROVISION FOR DEPR. AND AMORT	215,242,324	202,046,456	189,382,739	176,735,913	161,479,880
6	NET OTHER UTILITY PLANT	770,184,336	662,540,060	570,032,258	510,517,500	465,395,398
7	TOTAL UTILITY PLANT	1,053,787,734	928,790,953	820,790,509	747,113,455	684,765,442
8	ACCUM. PROVISION FOR DEPR. AND AMORT	240,878,206	225,283,842	210,025,161	196,132,652	179,267,795
9	NET TOTAL UTILITY PLANT	812,889,528	703,507,111	610,765,348	550,980,803	505,497,647
10	NONUTILITY PROPERTY LESS ACCUM. PROV FOR DEPRECIATION AND AMORTIZATION	1,409,006	565,496	565,496	565,496	549,495
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	2,153,523	2,608,723	1,606,101	1,532,862	1,280,822
13	OTHER INVESTMENTS	39,159	27,406	11,345	10,200	10,200
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	3,601,687	3,201,625	2,182,942	2,108,558	1,840,517
16	CASH	1,462,371	1,047,021	1,125,575	1,641,613	2,648,085
17	SPECIAL DEPOSITS	53,391,410	7,627,592	2,818,988	6,082,827	14,145
18	WORKING FUNDS	190,784	217,384	450,705	490,837	310,343
19	TEMPORARY CASH INVESTMENTS	14,350,000	10,517,642	-	-	-
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	44,835,751	45,130,323	45,317,238	45,816,966	40,214,080
21	RECEIVABLES FROM ASSOCIATED COMPANIES	-	29,564	-	-	-
22	MATERIALS AND SUPPLIES	23,853,891	33,129,621	29,526,117	19,076,120	26,510,683
23	GAS STORED UNDERGROUND-CURRENT	2,121,371	1,505,752	1,677,458	1,219,821	368,641
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	6,523,634	5,402,585	5,106,431	4,684,318	4,259,013
26	OTHER CURRENT AND ACCRUED ASSETS	9,761,662	8,677,169	8,257,680	7,889,392	7,857,126
27	TOTAL CURRENT AND ACCRUED ASSETS	156,490,874	113,284,653	94,280,169	86,911,903	82,162,096
28	UNAMORTIZED DEBT EXPENSE	5,674,162	4,289,477	3,226,624	3,304,654	2,493,209
29	EXTRAORDINARY PROPERTY LOSSES	15,451,877	18,655,001	20,815,721	22,270,245	-
30	PREL. SURVEY + INVESTIGATION CHARGES	79,601	74,199	2,249,189	1,139,179	548,512
31	CLEARING ACCOUNTS	320,958	306,438	506,949	507,689	264,721
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	627,381-	595,546-	139,795-	28,501-	74,549-
34	ACCUMULATED DEFERRED INCOME TAXES	1,813,800	1,033,800	175,100	165,600	809,400
35	OTHER DEFERRED DEBITS	44,642,413	35,517,144	30,318,176	18,855,621	18,066,089
36	TOTAL DEFERRED DEBITS	67,355,450	59,280,513	57,151,964	46,216,467	22,407,382
37	TOTAL ASSETS AND OTHER DEBITS	$ 1,040,337,539	$ 879,273,902	$ 764,380,443	$ 686,217,731	$ 611,927,642
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 214,484,087	$ 184,815,765	$ 156,927,223	$ 130,999,924	$ 111,164,694
39	PREFERRED STOCK ISSUED	81,030,000	81,030,000	81,030,000	81,030,000	81,030,000
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	66,780	66,780	66,780	66,780	66,780
43	OTHER PAID-IN CAPITAL	-	-	-	-	-
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	4,302,983-	4,039,712-	3,839,759-	2,677,044-	2,479,926-
46	RETAINED EARNINGS	145,374,845	125,751,423	109,936,474	99,035,804	88,497,245
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	481,654	561,857	559,234	486,995	459,955
48	REACQUIRED CAPITAL STOCK	-	-	-	-	-
49	TOTAL PROPRIETARY CAPITAL	437,114,363	388,186,113	344,678,952	288,941,459	258,738,748
50	BONDS (LESS BONDS REACQUIRED)	332,400,000	312,400,000	278,400,000	278,400,000	239,500,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	112,675,000	40,600,000	7,375,000	7,550,000	7,725,000
53	NET UNAMORTIZED PREMIUM + DISCOUNT	537,038-	607,982-	678,926-	749,870-	820,814-
54	TOTAL LONG TERM DEBT	444,537,962	352,392,018	285,096,074	285,200,130	246,404,186
55	NOTES PAYABLE	-	-	23,000,000	28,500,000	16,500,000
56	ACCOUNTS PAYABLE	22,258,928	28,849,501	23,079,904	14,991,513	28,668,458
57	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
58	CUSTOMER DEPOSITS	2,688,436	2,478,924	2,677,244	2,733,059	2,840,218
59	TAXES ACCRUED	5,018,646	5,194,519	3,696,425	6,248,716	6,073,163
60	INTEREST ACCRUED	8,884,918	7,321,709	6,533,494	6,626,059	5,855,453
61	DIVIDENDS DECLARED	10,456,918	9,430,658	8,123,914	6,562,556	5,664,316
62	TAX COLLECTIONS PAYABLE	652,195	692,550	665,697	916,742	902,907
63	OTHER CURRENT AND ACCRUED LIABILITIES	7,205,101	11,551,218	8,920,170	4,970,142	4,286,594
64	TOTAL CURRENT AND ACCRUED LIABILITIES	57,165,140	63,519,079	76,696,848	69,548,187	68,781,109
65	CUSTOMER ADVANCES FOR CONSTRUCTION	694,970	681,529	787,686	779,360	766,240
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	35,438,000	27,647,000	20,093,000	14,254,000	9,404,000
68	OTHER DEFERRED CREDITS	27,826,565	12,773,399	6,663,471	1,588,223	4,384,364
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	-	-	-	63,316	148,916
70	LIBERALIZED DEPRECIATION	19,774,600	18,597,100	13,666,200	10,946,100	3,193,800
71	OTHER	16,097,900	15,573,100	15,144,000	13,695,700	13,114,000
72	TOTAL DEFERRED CREDITS	99,832,036	73,273,328	56,354,337	41,328,699	37,011,320
73	PROPERTY INSURANCE RESERVE	-	166,925	104,200	-	-
74	INJURIES AND DAMAGE RESERVES	1,688,039	1,736,439	1,450,032	1,200,656	992,279
75	PENSION AND BENEFITS RESERVE	-	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	1,688,039	1,903,364	1,554,232	1,200,656	992,279
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,040,337,539	$ 879,273,902	$ 764,380,443	$ 686,217,731	$ 611,927,642

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 68,149,942	$ 68,328,561	$ 61,967,974	$ 61,648,599	$ 46,489,386	1
OPERATION AND MAINTENANCE EXPENSE	49,067,860	48,630,967	49,241,029	47,120,690	35,347,413	2
DEPRECIATION EXPENSE	2,984,536	3,057,428	1,847,093	1,956,263	2,066,090	3
AMORTIZATION	14	-	1,506	95,990	67,827	4
TAXES OTHER THAN INCOME TAXES	6,008,220	5,928,804	5,280,285	4,772,795	4,000,523	5
INCOME TAXES	3,454,000	3,548,000	309,000	1,655,000	1,003,000	6
PROVISION FOR DEFERRED INCOME TAXES	1,491,400	1,780,000	1,493,300	1,274,800	719,100	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	1,272,100-	1,137,300-	735,500-	803,100-	634,600-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	61,741,930	61,805,899	57,436,713	56,072,438	42,569,353	12
NET OPERATING REVENUES	6,408,012	6,522,662	4,531,261	5,576,161	3,920,033	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	6,408,012	6,522,662	4,531,261	5,576,161	3,920,033	15
OTHER UTILITY OPERATING INCOME	62,950,521	53,790,651	48,095,920	39,517,135	37,613,306	16
TOTAL UTILITY OPERATING INCOME	69,358,533	60,313,313	52,627,181	45,093,296	41,533,339	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	3,464-	67,201	9,871	3,193	43,331	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	188-	-	-	-	-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	80,203-	2,623	73,239	26,040	325,555	21
INTEREST AND DIVIDEND INCOME	739,952	643,807	180,670	936,608	2,491	22
ALLOWANCE FOR CONSTRUCTION FUNDS	26,432,772	21,921,590	16,428,513	14,761,877	13,915,717	23
MISCELLANEOUS NONOPERATING INCOME	762,778-	410,310	161,361-	188,986-	180,511-	24
GAIN ON DISPOSITION OF PROPERTY	720	-	41,157	8,033	-	25
TOTAL OTHER INCOME	26,326,811	23,045,531	16,572,089	15,546,765	14,106,583	26
TOTAL INCOME	95,685,344	83,358,844	69,199,270	60,640,061	55,639,922	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	17,235	16,238	11,203	14,487	10,674	28
INCOME TAXES-NONOPERATING	6,570,300-	4,964,500-	4,605,000-	4,581,000-	2,748,000-	29
LOSS ON DISPOSITION OF PROPERTY	28,777	4,630	52,359	-	489,708	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	452,117	482,136	468,521	309,037	223,824	32
TOTAL INCOME DEDUCTIONS	6,072,171-	4,461,496-	4,072,917-	4,257,476-	2,023,796-	33
INCOME BEFORE INTEREST CHARGES	101,757,515	87,820,340	73,272,187	64,897,537	57,663,718	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	40,420,583	34,334,725	30,039,337	25,291,331	22,857,775	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	432,521	374,251	335,040	265,542	204,397	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	24,192-	24,192-	24,192-	24,192-	25,302-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	1,256,280	1,998,687	2,686,168	4,034,834	4,947,884	39
TOTAL INTEREST CHARGES	42,085,192	36,683,471	33,036,353	29,568,115	27,984,754	40
INCOME BEFORE EXTRAORDINARY ITEMS	59,672,323	51,136,869	40,235,834	35,329,422	29,678,964	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 59,672,323	$ 51,136,869	$ 40,235,834	$ 35,329,422	$ 29,678,964	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 125,751,423	$ 109,935,474	$ 99,035,804	$ 88,497,245	$ 80,020,747	47
BALANCE TRANSFERRED FROM INCOME	59,752,526	51,134,246	40,162,595	35,303,382	29,353,409	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	6,184,367	6,458,368	5,783,289	4,126,369	4,126,371	50
-COMMON STOCK	33,944,737	28,859,929	23,479,636	20,638,454	16,750,540	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	145,374,845	125,751,423	109,935,474	99,035,804	88,497,245	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	481,654	561,857	559,234	485,995	459,955	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 145,856,499	$ 126,313,280	$ 110,494,708	$ 99,521,799	$ 88,957,200	56
SELECTED BALANCE SHEET RELATIONSHIPS						
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	0.97	0.92	0.98	0.96	1.22	57
OTHER UTILITY PLT./DOLLAR OF OTHER REVENUE	2.12	1.79	1.76	1.71	1.51	58
TOTAL UTILITY PLT./DOLLAR OF TOTAL REVENUE	1.96	1.67	1.65	1.61	1.48	59
CURRENT ASSETS / BY CURRENT LIABILITIES	2.74	1.78	1.23	1.25	1.19	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	50.4	47.5	45.2	49.6	48.7	61
PREFERRED STOCK	9.1	10.9	12.8	10.6	12.0	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	23.8	24.4	24.4	22.4	21.8	63
RETAINED EARNINGS	16.4	16.9	17.4	17.2	17.5	64
LONG-TERM DEBT % OF GROSS UTILITY PLANT	42.1	37.9	34.7	38.1	35.9	65
% OF NET UTILITY PLANT	54.6	50.0	46.6	51.7	48.7	66
ACCUM. PROVISION FOR DEPR. % OF UTILITY PLT	22.8	24.2	25.5	26.2	26.1	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	13.5	13.0	13.0	13.8	10.4	68
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	71.9	71.1	79.4	76.4	76.0	69
GAS DEPRECIATION AND AMORTIZATION	4.3	4.4	2.9	3.3	4.5	70
TOTAL INCOME TAXES-GAS, OPERATING	5.3	6.1	1.7	3.4	2.3	71
OTHER TAXES-GAS, OPERATING	8.8	8.6	8.5	7.7	8.6	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL GAS OPERATING EXPENSE	90.5	90.4	92.6	90.9	91.5	74
GAS OPERATING INCOME	9.4	9.5	7.3	9.0	8.4	75
GAS DEPR. AND AMORT. % OF GAS UTILITY PLT	4.3	4.7	3.0	3.4	3.6	76
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	8.3	7.0	7.0	6.6	6.3	77
PRETAX INTEREST COVERAGE	3.2	3.2	2.8	2.6	2.4	78
NET INCOME-PERCENT OF OPERATING REVENUES	11.8	9.7	8.4	7.9	6.6	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	1.2	1.2	1.2	0.9	0.9	80
TIMES EARNED	9.6	7.9	7.0	8.6	7.2	81
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	6.7	5.5	4.9	4.6	3.7	82
% OF EARNINGS AVAILABLE FOR COMMON	63.4	64.5	68.1	66.1	65.5	83
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	18.1	15.6	14.0	14.6	13.7	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	10.2	10.1	9.5	9.6	9.0	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

LINE NO.		1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 59,672,323	$ 51,136,869	$ 40,235,834	$ 35,329,422	$ 29,678,964
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	24,249,558	22,531,271	20,524,230	16,922,780	16,107,880
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	10,712,700	10,055,900	9,934,584	7,816,700	2,349,400
4	INTEREST CAPITALIZED	26,432,772-	21,921,590-	16,428,513-	14,761,877-	13,915,717-
5	OTHER (NET)	3,819,486	5,354,460	2,998,590	1,421,379	2,602,910
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	72,021,295	67,156,910	57,264,725	46,728,404	36,823,437
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	72,021,295	67,156,910	57,264,725	46,728,404	36,823,437
10	LESS DIVIDENDS: PREFERRED	6,184,367	6,458,368	5,783,289	4,126,369	4,126,371
11	COMMON	33,944,737	28,859,929	23,479,636	20,638,454	16,750,540
12	NET FUNDS FROM INTERNAL SOURCES	31,892,191	31,838,613	28,001,800	21,963,581	15,946,526
	EXTERNAL SOURCES					
13	LONG TERM DEBT	92,250,000	78,400,000	-	44,900,000	30,000,000
14	PREFERRED STOCK	-	-	20,000,000	-	-
15	COMMON STOCK	29,648,302	27,888,542	25,927,299	19,835,230	15,618,202
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	10,000,000	-
17	OTHER (NET)	46,005,491-	4,975,387-	3,448,962	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	75,892,811	101,313,155	49,376,261	74,735,230	45,618,202
20	OTHER SOURCES (NET)	-	-	-	-	1,411,296
21						
22						
23	TOTAL FUNDS PROVIDED	$ 107,785,002	$ 133,151,768	$ 77,378,061	$ 96,698,811	$ 62,976,024
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	GAS PLANT	$ 4,908,251	$ 3,645,673	$ 2,243,256	$ 2,971,317	$ 3,418,900
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	-	-	-	-	-
27	OTHER	125,010,622	108,622,870	82,129,250	80,969,118	52,631,223
28	TOTAL GROSS ADDITIONS	129,918,873	112,268,543	84,372,506	83,940,435	56,050,123
29	LESS INTEREST CAPITALIZED	26,432,772	21,921,590	16,428,513	14,761,877	13,915,717
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	103,486,101	90,346,953	67,943,992	69,178,558	42,134,406
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	175,000	11,175,000	175,000	6,175,000	18,175,000
32	PREFERRED STOCK	-	-	-	-	-
33	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	23,000,000	3,500,000	-	1,500,000
35	OTHER (NET)	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	175,000	34,175,000	3,675,000	6,175,000	19,675,000
38	OTHER USES (NET)	4,123,901	8,629,815	5,759,069	21,345,253	1,166,618
39						
40						
41	TOTAL FUNDS APPLIED	$ 107,785,002	$ 133,151,768	$ 77,378,061	$ 96,698,811	$ 62,976,024

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
	GAS OPERATING REVENUES					
REVENUES						
RESIDENTIAL	$ 29,005,727	$ 29,075,760	$ 27,510,481	$ 27,343,384	$ 20,166,828	1
COMMERCIAL AND INDUSTRIAL	30,334,911	32,398,428	27,077,337	28,812,171	21,747,089	2
OTHER SALES TO PUBLIC AUTHORITIES	4,540,105	3,935,853	3,781,060	3,000,711	2,129,770	3
INTERDEPARTMENTAL	864,197	585,416	1,436,810	1,506,978	502,657	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	64,744,940	65,995,457	59,805,688	60,463,244	44,546,344	5
RESALE	-	-	-	-	412,932	6
TOTAL REVENUES FROM SALES OF GAS	64,744,940	65,995,457	59,805,688	60,463,244	44,959,276	7
OTHER GAS OPERATING REVENUES	3,405,202	2,333,104	2,162,286	1,185,355	1,530,110	8
TOTAL GAS OPERATING REVENUES	$ 68,149,942	$ 68,328,561	$ 61,967,974	$ 61,648,599	$ 46,489,386	9
GAS SALES (MCF)						
RESIDENTIAL	3,539,676	3,743,743	3,440,899	3,712,048	3,627,530	10
COMMERCIAL AND INDUSTRIAL	5,081,575	5,604,457	4,228,063	5,305,833	5,046,348	11
OTHER SALES TO PUBLIC AUTHORITIES	816,238	731,879	613,847	559,459	537,646	12
INTERDEPARTMENTAL	154,891	116,830	217,160	260,100	134,218	13
TOTAL SALES TO ULTIMATE CONSUMERS	9,592,381	10,196,909	8,499,969	9,837,440	9,345,742	14
RESALE	-	-	-	-	133,900	15
TOTAL GAS SALES	9,592,381	10,196,909	8,499,969	9,837,440	9,479,642	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	43,879	43,101	42,518	41,948	41,537	17
COMMERCIAL AND INDUSTRIAL	4,485	4,289	4,165	3,973	3,555	18
OTHER SALES TO PUBLIC AUTHORITIES	360	346	341	328	357	19
INTERDEPARTMENTAL	1	1	1	1	1	20
TOTAL ULTIMATE CONSUMERS	48,725	47,737	47,025	46,250	45,450	21
RESALE	-	-	-	-	1	22
TOTAL CUSTOMERS	48,725	47,737	47,025	46,250	45,451	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 661.04	$ 674.60	$ 647.03	$ 651.84	$ 485.51	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	81	87	81	88	87	25
AVERAGE REVENUE PER MCF SOLD	$ 8.19	$ 7.77	$ 8.00	$ 7.37	$ 5.56	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 6,763.84	$ 7,553.84	$ 6,501.16	$ 7,201.65	$ 6,117.32	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	1,133	1,307	1,015	1,335	1,420	28
AVERAGE REVENUE PER MCF SOLD	$ 5.97	$ 5.78	$ 6.40	$ 5.39	$ 4.31	29
	GAS OPERATION AND MAINTENANCE EXPENSES					
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-		-	-	30
MANUFACTURED GAS	181,788	178,052	172,463	303,793	166,930	31
NATURAL GAS						
PRODUCTION AND GATHERING	-	-			-	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	57,440,839	58,532,705	52,811,317	53,176,720	42,242,738	35
OTHER	17,099,117-	18,452,358-	11,726,415-	13,820,082-	13,652,172-	36
TOTAL PRODUCTION EXPENSE	40,523,510	40,258,399	41,257,365	39,660,431	28,757,494	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	1,013	2,144	1,187	654	225	38
OTHER STORAGE EXPENSES	716	1,368	141	246	367	39
TOTAL NATURAL GAS STORAGE EXPENSE	1,729	3,512	1,328	900	592	40
TRANSMISSION EXPENSES	530,791	723,131	734,911	623,135	665,775	41
DISTRIBUTION EXPENSES	3,148,562	2,888,761	2,879,717	2,844,406	2,505,074	42
CUSTOMER ACCOUNTS EXPENSES	1,244,033	1,252,387	1,186,198	1,205,044	975,063	43
SALES EXPENSES	400,894	333,873	276,810	182,520	164,673	44
ADMINISTRATIVE AND GENERAL EXPENSES	3,218,341	3,170,904	2,904,700	2,604,254	2,278,742	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 49,067,860	$ 48,630,967	$ 49,241,029	$ 47,120,690	$ 35,347,413	46
	GAS UTILITY PLANT*					
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 3,183	$ 3,183	$ 3,183	$ 3,183	$ 3,183	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	2,816,115	1,537,020	1,436,828	1,436,828	1,406,195	50
NATURAL GAS PLANT	-	-	-	-	408,006	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	169,763	169,763	169,763	169,763	169,763	54
TRANSMISSION PLANT	17,627,253	17,566,979	17,512,545	17,465,899	17,445,231	55
DISTRIBUTION PLANT	45,251,782	42,576,656	40,996,901	39,212,943	36,177,823	56
GENERAL PLANT	-	32,758	32,758	32,758	31,259	57
GAS PLANT PURCHASED OR SOLD				-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-		-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	65,868,096	61,886,259	60,151,978	58,321,374	55,641,460	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	-	-	-	-	-	63
CONSTRUCTION WORK IN PROGRESS	2,472,978	2,318,078	1,223,534	1,538,668	2,248,704	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	68,341,074	64,204,437	61,375,512	59,860,042	57,890,164	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	25,635,882	23,237,386	20,642,422	19,396,739	17,787,915	67
NET GAS UTILITY PLANT	$ 42,705,192	$ 40,967,051	$ 40,733,090	$ 40,463,303	$ 40,102,249	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 61,886,359	$ 60,151,978	$ 58,321,374	$ 55,641,460	$ 53,550,745	69
ADDITIONS	4,171,269	1,859,254	2,081,301	3,228,228	2,275,996	70
RETIREMENTS	189,532	124,873	250,697	140,308	131,477	71
TRANSFERS AND ADJUSTMENTS	-	-	-	408,006-	53,804-	72
PLANT IN SERVICE END OF YEAR	$ 65,868,096	$ 61,886,359	$ 60,151,978	$ 58,321,374	$ 55,641,460	73

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 68,149,942	$ 68,328,581	$ 61,987,974	$ 61,648,599	$ 46,489,386
2	SALES (MCF)	9,5[illegible],381	10,196,909	8,499,969	9,837,440	9,479,842
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 40,341,722	$ 40,080,347	$ 41,084,902	$ 39,356,638	$ 28,590,564
4	WAGES AND BENEFITS	5,866,987	5,618,288	5,432,808	5,021,327	4,454,635
5	OTHER OPERATION AND MAINTENANCE EXPENSES	2,859,151	2,932,332	2,723,319	2,742,725	2,302,214
6	DEPRECIATION AND AMORTIZATION EXPENSES	2,994,550	3,057,428	1,848,599	2,052,253	2,133,917
7	INCOME TAXES - OPERATING	3,673,300	4,190,700	1,066,800	2,126,700	1,087,500
8	OTHER TAXES - OPERATING	6,006,220	5,926,804	5,280,285	4,772,795	4,000,523
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	5,446,932	4,760,775	4,290,015	3,835,151	3,624,386
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	330,962	388,838	400,524	313,982	339,856
11	EARNINGS AVAILABLE FOR COMMON EQUITY	630,118	1,373,049	159,278-	1,427,028	44,209-
12	TOTAL	$ 68,149,942	$ 68,328,581	$ 61,987,974	$ 61,648,599	$ 46,489,386
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	59.2	58.7	66.3	63.8	61.5
14	WAGES AND BENEFITS	8.6	8.2	8.8	8.1	9.6
15	OTHER OPERATION AND MAINTENANCE EXPENSES	4.2	4.3	4.4	4.4	5.0
16	DEPRECIATION AND AMORTIZATION EXPENSES	4.4	4.5	3.0	3.3	4.6
17	INCOME TAXES - OPERATING	5.4	6.1	1.7	3.4	2.3
18	OTHER TAXES - OPERATING	8.8	8.7	8.5	7.7	8.6
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	8.0	7.0	6.9	6.2	7.8
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.5	0.6	0.6	0.5	0.7
21	EARNINGS AVAILABLE FOR COMMON EQUITY	0.9	2.0	0.2-	2.3	-
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 4.21	$ 3.93	$ 4.83	$ 4.00	$ 3.02
24	WAGES AND BENEFITS	0.61	0.55	0.64	0.51	0.47
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.30	0.29	0.32	0.28	0.24
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.31	0.30	0.22	0.21	0.23
27	INCOME TAXES - OPERATING	0.38	0.41	0.13	0.22	0.11
28	OTHER TAXES - OPERATING	0.63	0.58	0.62	0.49	0.42
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.57	0.47	0.50	0.39	0.38
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.03	0.04	0.05	0.03	0.04
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.07	0.13	0.01-	0.15	-
32	TOTAL	$ 7.10	$ 6.70	$ 7.29	$ 6.27	$ 4.90
33	*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	5.45	6.06	6.95	7.66	8.27

GAS

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MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

COLUMBIA GAS OF NEW YORK, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 40,353,910	$ 36,959,119	$ 34,871,509	$ 33,069,801	$ 30,856,430
2	ACCUM. PROVISION FOR DEPR. AND AMORT.	12,267,340	11,570,851	10,970,214	10,383,863	9,762,960
3	NET GAS UTILITY PLANT	28,086,570	25,388,268	23,901,295	22,685,938	21,093,470
4	OTHER UTILITY PLANT	-	-	-	-	-
5	ACCUM. PROVISION FOR DEPR. AND AMORT.	-	-	-	-	-
6	NET OTHER UTILITY PLANT	-	-	-	-	-
7	TOTAL UTILITY PLANT	40,353,910	36,959,119	34,871,509	33,069,801	30,856,430
8	ACCUM. PROVISION FOR DEPR. AND AMORT.	12,267,340	11,570,851	10,970,214	10,383,863	9,762,960
9	NET TOTAL UTILITY PLANT	28,086,570	25,388,268	23,901,295	22,685,938	21,093,470
10	NONUTILITY PROPERTY LESS ACCUM. PROV FOR DEPRECIATION AND AMORTIZATION	-	-	-	-	-
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	-	-	-	-	-
13	OTHER INVESTMENTS	-	-	-	-	-
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	-	-	-	-	-
16	CASH	388,452	553,894	264,466	258,345	529,523
17	SPECIAL DEPOSITS	-	-	-	1	1
18	WORKING FUNDS	17,750	17,750	17,750	17,750	17,750
19	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	5,479,754	5,535,632	7,272,466	4,664,409	6,752,920
21	RECEIVABLES FROM ASSOCIATED COMPANIES	26,716	47,255	33,805	35,698	125,589-
22	MATERIALS AND SUPPLIES	673,171	682,464	699,080	690,356	670,974
23	GAS STORED UNDERGROUND-CURRENT	-	-	-	-	-
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	5,103,159	4,098,063	6,472,179	5,549,951	5,055,249
26	OTHER CURRENT AND ACCRUED ASSETS	4,534,665	4,238,254	5,523,567	3,747,698	27,219
27	TOTAL CURRENT AND ACCRUED ASSETS	16,223,667	15,173,312	20,283,313	14,964,208	12,928,049
28	UNAMORTIZED DEBT EXPENSE	-	-	-	-	-
29	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
30	PREL. SURVEY + INVESTIGATION CHARGES	-	-	7,787	-	-
31	CLEARING ACCOUNTS	654-	16,464	19,717-	1,559	6,502-
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	7,029	16,683	9,084	8,053	-
34	ACCUMULATED DEFERRED INCOME TAXES	1,728,405	1,609,834	2,155,473	1,485,851	62,300
35	OTHER DEFERRED DEBITS	280,118	813,760-	1,140,493	683,335-	1,000,052
36	TOTAL DEFERRED DEBITS	2,014,898	829,221	3,293,120	812,128	1,055,850
37	TOTAL ASSETS AND OTHER DEBITS	$ 46,325,135	$ 41,390,801	$ 47,477,728	$ 38,462,274	$ 35,077,369
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 4,650,000	$ 4,650,000	$ 4,650,000	$ 4,250,000	$ 3,750,000
39	PREFERRED STOCK ISSUED	-	-	-	-	-
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
43	OTHER PAID-IN CAPITAL	1,275,736	1,275,736	1,275,736	1,275,736	1,275,736
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	-	-	-	-	-
46	RETAINED EARNINGS	4,954,303	5,157,571	5,313,746	4,434,387	4,413,706
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-
48	REACQUIRED CAPITAL STOCK	-	-	-	-	-
49	TOTAL PROPRIETARY CAPITAL	10,880,039	11,083,307	11,239,482	9,960,123	9,439,442
50	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-
51	ADVANCES FROM ASSOCIATED COMPANIES	12,300,614	10,923,521	10,686,428	10,006,668	9,543,908
52	OTHER LONG-TERM DEBT	-	-	-	-	-
53	NET UNAMORTIZED PREMIUM + DISCOUNT	-	-	-	-	-
54	TOTAL LONG TERM DEBT	12,300,614	10,923,521	10,686,428	10,006,668	9,543,908
55	NOTES PAYABLE	-	-	-	-	-
56	ACCOUNTS PAYABLE	568,865	184,542	25,222	39,895	28,082
57	PAYABLES TO ASSOCIATED COMPANIES	11,493,879	10,964,131	15,373,102	12,953,588	12,148,189
58	CUSTOMER DEPOSITS	275,755	204,310	192,349	161,891	172,945
59	TAXES ACCRUED	228,366-	539,125	84,571-	437,656-	207,435-
60	INTEREST ACCRUED	149,813	64,426	138,930	211,467	134,919
61	DIVIDENDS DECLARED	-	-	-	-	-
62	TAX COLLECTIONS PAYABLE	202,459	170,482	170,490	181,036	141,374
63	OTHER CURRENT AND ACCRUED LIABILITIES	4,090,804	2,718,663	3,726,377	798,396	1,790,424
64	TOTAL CURRENT AND ACCRUED LIABILITIES	16,553,209	14,845,679	19,541,899	13,908,615	14,208,498
65	CUSTOMER ADVANCES FOR CONSTRUCTION	167,625	59,104	73,477	75,050	92,741
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	1,307,604	1,092,996	913,999	710,653	455,122
68	OTHER DEFERRED CREDITS	456,048	340,139	302,389	179,055	2,456
	ACCUMULATED DEFERRED INCOME TAXES;					
69	ACCELERATED AMORTIZATION	-	-	-	-	-
70	LIBERALIZED DEPRECIATION	1,173,198	792,552	529,519	330,234	199,464
71	OTHER	3,397,800	2,237,388	4,188,022	3,245,863	1,054,240
72	TOTAL DEFERRED CREDITS	6,502,273	4,522,179	6,005,406	4,540,855	1,804,023
73	PROPERTY INSURANCE RESERVE	-	-	-	-	-
74	INJURIES AND DAMAGE RESERVES	89,000	16,115	4,513	46,013	81,498
75	PENSION AND BENEFITS RESERVE	-	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	89,000	16,115	4,513	46,013	81,498
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 46,325,135	$ 41,390,801	$ 47,477,728	$ 38,462,274	$ 35,077,369

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS
COLUMBIA GAS OF NEW YORK, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 80,449,435	$ 90,368,371	$ 92,085,818	$ 88,674,697	$ 70,473,919	1
OPERATION AND MAINTENANCE EXPENSE	70,353,590	79,590,805	81,676,408	79,853,893	63,472,486	2
DEPRECIATION EXPENSE	1,042,338	989,384	916,902	859,916	806,366	3
AMORTIZATION	45,740	108,305	120,712	134,358	88,913	4
TAXES OTHER THAN INCOME TAXES	5,863,181	6,116,500	6,007,642	5,478,001	4,568,933	5
INCOME TAXES	1,032,219-	2,329,713	2,706,630-	594,294-	228,202-	6
PROVISION FOR DEFERRED INCOME TAXES	1,553,834	1,141,840	2,026,793	2,443,601	417,617	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	344,419	2,513,965-	1,594,828	1,510,661-	49,263-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	78,170,883	87,742,384	89,636,657	86,664,813	69,078,830	12
NET OPERATING REVENUES	2,278,552	2,625,987	2,449,161	2,009,884	1,395,089	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	2,278,552	2,625,987	2,449,161	2,009,884	1,395,089	15
OTHER UTILITY OPERATING INCOME	-	-	-	-	-	16
TOTAL UTILITY OPERATING INCOME	2,278,552	2,625,987	2,449,161	2,009,884	1,395,089	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	-	-	-	-	-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	-	-	-	-	-	21
INTEREST AND DIVIDEND INCOME	41,492	52,177	79,523	62,029	73,129	22
ALLOWANCE FOR CONSTRUCTION FUNDS	13,392	10,648	13,314	11,766	11,987	23
MISCELLANEOUS NONOPERATING INCOME	-	-	-	-	-	24
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	25
TOTAL OTHER INCOME	54,884	62,825	92,837	73,795	85,116	26
TOTAL INCOME	2,333,436	2,688,812	2,541,998	2,083,679	1,480,205	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	28
INCOME TAXES-NONOPERATING	86,041	161,339	32,765	9,847-	28,147-	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	19,014	10,772	13,237	13,310	8,471	32
TOTAL INCOME DEDUCTIONS	105,055	172,111	46,002	3,463	19,676-	33
INCOME BEFORE INTEREST CHARGES	2,228,381	2,516,701	2,495,996	2,080,216	1,499,881	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	-	-	-	-	-	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	-	-	-	-	-	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	1,060,480	1,168,095	1,123,368	1,281,007	737,274	38
OTHER INTEREST EXPENSE	236,569	11,120-	42,233-	231,028	163,464	39
TOTAL INTEREST CHARGES	1,297,049	1,156,975	1,081,135	1,512,035	900,738	40
INCOME BEFORE EXTRAORDINARY ITEMS	931,332	1,359,726	1,414,861	568,181	599,143	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 931,332	$ 1,359,726	$ 1,414,861	$ 568,181	$ 599,143	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 5,157,571	$ 5,313,746	$ 4,434,387	$ 4,413,706	$ 4,323,579	47
BALANCE TRANSFERRED FROM INCOME	931,332	1,359,726	1,414,861	568,181	599,143	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	50
-COMMON STOCK	1,134,600	1,515,900	535,500	547,500	427,500	51
ADJUSTMENTS TO RETAINED EARNINGS	-	1-	2-	-	81,516-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	4,954,303	5,157,571	5,313,746	4,434,387	4,413,706	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 4,954,303	$ 5,157,571	$ 5,313,746	$ 4,434,387	$ 4,413,706	56
SELECTED BALANCE SHEET RELATIONSHIPS						
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	0.48	0.40	0.37	0.36	0.42	57
OTHER UTILITY PLT./DOLLAR OF OTHER REVENUE	-	-	-	-	-	58
TOTAL UTILITY PLT./DOLLAR OF TOTAL REVENUE	0.48	0.40	0.37	0.36	0.42	59
CURRENT ASSETS / BY CURRENT LIABILITIES	0.98	1.02	1.04	1.08	0.91	60
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	53.0	49.6	48.7	50.1	50.2	61
PREFERRED STOCK	-	-	-	-	-	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	25.5	26.9	27.0	27.6	26.4	63
RETAINED EARNINGS	21.3	23.4	24.2	22.2	23.2	64
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	30.4	29.5	30.6	30.2	30.9	65
% OF NET UTILITY PLANT	43.7	43.0	44.7	44.1	45.2	66
ACCUM.PROVISION FOR DEPR.: % OF UTILITY PLT	30.3	31.3	31.4	31.3	31.6	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	100.0	100.0	100.0	100.0	100.0	68
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	87.4	88.0	88.6	90.0	90.0	69
GAS DEPRECIATION AND AMORTIZATION	1.3	1.1	1.1	1.1	1.2	70
TOTAL INCOME TAXES-GAS, OPERATING	1.0	1.0	0.9	0.3	0.2	71
OTHER TAXES-GAS, OPERATING	7.2	6.7	6.5	6.1	6.4	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL GAS OPERATING EXPENSE	97.1	97.0	97.3	97.7	98.0	74
GAS OPERATING INCOME	2.8	2.9	2.6	2.2	1.9	75
GAS DEPR. AND AMORT. % OF GAS UTILITY PLT	2.6	2.9	2.9	3.0	2.9	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	1.6	1.3	1.2	1.7	1.3	77
PRETAX INTEREST COVERAGE	2.5	3.1	3.2	1.6	1.8	78
NET INCOME-PERCENT OF OPERATING REVENUES	1.1	1.5	1.5	0.6	0.8	79
DIVIDEND APPROPRIATIONS,PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	80
TIMES EARNED	-	-	-	-	-	81
DIVIDEND APPROPRIATIONS,COMMON STOCK:						
PERCENT OF OPERATING REVENUES	1.4	1.6	0.5	0.6	0.6	82
% OF EARNINGS AVAILABLE FOR COMMON	121.8	111.4	37.8	96.3	71.3	83
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	8.4	12.1	13.3	5.8	6.3	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	10.3	13.5	5.0	5.6	4.5	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

COLUMBIA GAS OF NEW YORK, INC.

LINE NO.		1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 931,332	$ 1,359,728	$ 1,414,862	$ 568,181	$ 599,143
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	1,088,078	1,077,688	1,037,613	994,274	895,279
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	1,637,093	980,985-	673,168	1,154,373	430,718
4	INTEREST CAPITALIZED	13,392-	10,648-	13,314-	11,766-	11,987-
5	OTHER (NET)	95,537	36,000	16,900	99,800	65,784
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	3,738,648	1,501,803	3,129,229	2,804,862	1,978,937
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	3,738,648	1,501,803	3,129,229	2,804,862	1,978,937
10	LESS DIVIDENDS PREFERRED	-	-	-	-	-
11	COMMON	1,134,600	1,515,900	535,500	547,500	427,500
12	NET FUNDS FROM INTERNAL SOURCES	2,604,048	14,097-	2,593,729	2,257,362	1,551,437
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	2,000,000	800,000	1,200,000	1,000,000	2,300,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	400,000	500,000	-
16	NET INCREASE IN SHORT TERM DEBT	80,000	-	620,000	2,355,000	885,000
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	2,080,000	800,000	2,220,000	3,855,000	3,185,000
20	OTHER SOURCES (NET)	801,608	3,207,158	121,761	158,908	11,141
21						
22						
23	TOTAL FUNDS PROVIDED	$ 5,485,656	$ 3,993,061	$ 4,935,490	$ 6,271,270	$ 4,747,578
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	GAS PLANT	$ 3,642,291	$ 2,382,867	$ 2,062,803	$ 2,412,716	$ 2,119,131
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	-	-	-	-	-
27	OTHER	144,089	181,796	190,167	174,027	97,020
28	TOTAL GROSS ADDITIONS	3,786,380	2,564,663	2,252,970	2,586,743	2,216,151
29	LESS INTEREST CAPITALIZED	13,392	10,648	13,314	11,766	11,987
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	3,772,988	2,554,015	2,239,656	2,574,977	2,204,164
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	622,907	562,907	520,240	537,240	494,240
32	PREFERRED STOCK	-	-	-	-	-
33	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	2,770,000	-	-	-
35	OTHER (NET)	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	622,907	3,332,907	520,240	537,240	494,240
38	OTHER USES (NET)	1,089,761	1,893,861-	2,175,594	3,159,053	2,049,174
39						
40						
41	TOTAL FUNDS APPLIED	$ 5,485,656	$ 3,993,061	$ 4,935,490	$ 6,271,270	$ 4,747,578

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

COLUMBIA GAS OF NEW YORK, INC

ITEM	1985	1984	1983	1982	1981	LINE NO.
		GAS OPERATING REVENUES				
REVENUES						
RESIDENTIAL	$ 43,736,786	$ 48,751,324	$ 47,475,021	$ 41,833,349	$ 34,678,002	1
COMMERCIAL AND INDUSTRIAL	38,053,076	42,663,116	42,817,275	43,077,143	35,673,429	2
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	3
INTERDEPARTMENTAL	-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	79,789,862	91,414,440	90,292,296	84,910,492	70,351,431	5
RESALE	-	-	-	-	-	6
TOTAL REVENUES FROM SALES OF GAS	79,789,862	91,414,440	90,292,296	84,910,492	70,351,431	7
OTHER GAS OPERATING REVENUES	659,573	1,046,069-	1,793,522	3,764,205	122,488	8
TOTAL GAS OPERATING REVENUES	$ 80,449,435	$ 90,368,371	$ 92,085,818	$ 88,674,697	$ 70,473,919	9
GAS SALES (MCF)						
RESIDENTIAL	6,947,027	7,443,767	7,105,814	7,795,155	8,236,670	10
COMMERCIAL AND INDUSTRIAL	6,379,784	7,103,757	6,964,990	8,796,501	9,442,983	11
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	12
INTERDEPARTMENTAL	-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS	13,326,811	14,547,524	14,070,804	16,591,656	17,679,653	14
RESALE	-	-	-	-	-	15
TOTAL GAS SALES	13,326,811	14,547,524	14,070,804	16,591,656	17,679,653	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	58,526	58,301	58,176	58,203	57,996	17
COMMERCIAL AND INDUSTRIAL	6,092	5,948	5,805	5,652	5,502	18
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	64,618	64,249	63,981	63,855	63,498	21
RESALE	-	-	-	-	-	22
TOTAL CUSTOMERS	64,618	64,249	63,981	63,855	63,498	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 747 31	$ 836 20	$ 816 06	$ 718 75	$ 597 94	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	119	128	122	134	142	25
AVERAGE REVENUE PER MCF SOLD	$ 6.30	$ 6.55	$ 6.68	$ 5.37	$ 4.21	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 5,918 10	$ 7,172.68	$ 7,375 93	$ 7,621 58	$ 6,483 72	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	1,047	1,194	1,200	1,556	1,716	28
AVERAGE REVENUE PER MCF SOLD	$ 5.65	$ 6.01	$ 6.15	$ 4.90	$ 3.78	29
		GAS OPERATION AND MAINTENANCE EXPENSES				
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	445,340	278,376	227,194	384,757	270,351	31
NATURAL GAS						
PRODUCTION AND GATHERING	-	-	-	-	-	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	60,544,942	70,475,191	73,299,160	71,468,473	56,121,031	35
OTHER	13,489-	23,751-	41,684-	42,283-	24,873-	36
TOTAL PRODUCTION EXPENSE	60,976,793	70,729,816	73,484,670	71,790,947	56,366,509	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	-	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-	40
TRANSMISSION EXPENSES	-	-	-	-	-	41
DISTRIBUTION EXPENSES	4,054,447	3,682,005	3,577,529	3,561,377	3,315,157	42
CUSTOMER ACCOUNTS EXPENSES	1,894,996	1,986,204	1,729,476	1,783,909	1,301,973	43
SALES EXPENSES	549,975	478,984	354,213	425,889	336,842	44
ADMINISTRATIVE AND GENERAL EXPENSES	2,877,379	2,713,798	2,530,520	2,291,771	2,151,985	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 70,353,590	$ 79,590,805	$ 81,676,408	$ 79,853,893	$ 63,472,466	46
		GAS UTILITY PLANT				
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 28,865	$ 28,865	$ 28,865	$ 28,865	$ 28,865	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	1,506,704	1,467,763	1,455,323	1,399,515	1,222,872	50
NATURAL GAS PLANT	804,431	804,431	804,431	804,431	803,574	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	-	-	-	-	-	54
TRANSMISSION PLANT	-	-	-	-	-	55
DISTRIBUTION PLANT	35,885,763	33,171,287	31,073,365	29,382,162	27,230,313	56
GENERAL PLANT	1,361,698	1,319,748	1,343,022	1,272,903	1,244,937	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	39,587,641	36,792,094	34,705,006	32,867,876	30,530,561	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	-	-	-	-	-	63
CONSTRUCTION WORK IN PROGRESS	766,449	167,025	166,503	201,925	325,869	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	40,353,910	36,959,119	34,871,509	33,069,801	30,856,430	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	12,267,340	11,570,851	10,970,214	10,383,863	9,762,960	67
NET GAS UTILITY PLANT	$ 28,086,570	$ 25,388,268	$ 23,901,295	$ 22,685,938	$ 21,093,470	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 36,792,094	$ 34,705,006	$ 32,867,876	$ 30,530,561	$ 27,793,573	69
ADDITIONS	3,053,052	2,382,342	2,098,226	2,536,660	2,908,722	70
RETIREMENTS	257,685	295,254	261,096	199,345	171,734	71
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	72
PLANT IN SERVICE END OF YEAR	$ 39,587,461	$ 36,792,094	$ 34,705,006	$ 32,867,876	$ 30,530,561	73

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

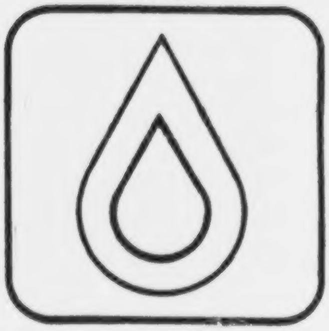
YEARS ENDED DECEMBER 31

COLUMBIA GAS OF NEW YORK, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 80,449,435	$ 90,368,371	$ 92,085,818	$ 88,674,697	$ 70,473,919
2	SALES (MCF)	13,326,811	14,547,524	14,070,804	16,591,656	17,679,653
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 60,531,453	$ 70,451,440	$ 73,257,476	$ 71,426,190	$ 56,096,158
4	WAGES AND BENEFITS	5,428,354	5,175,649	4,909,622	4,610,638	4,212,433
5	OTHER OPERATION AND MAINTENANCE EXPENSES	4,393,783	3,963,716	3,509,310	3,817,067	3,163,875
6	DEPRECIATION AND AMORTIZATION EXPENSES	1,088,078	1,077,689	1,037,614	994,274	895,279
7	INCOME TAXES - OPERATING	866,034	957,390	914,993	338,645	142,152
8	OTHER TAXES - OPERATING	5,863,181	6,116,500	6,007,642	5,478,001	4,568,933
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	1,292,180	1,152,623	1,067,821	1,500,269	888,751
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	986,372	1,473,364	1,381,340	509,615	506,338
12	TOTAL	$ 80,449,435	$ 90,368,371	$ 92,085,818	$ 88,674,697	$ 70,473,919
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	75.2	78.0	79.6	80.5	79.6
14	WAGES AND BENEFITS	6.7	5.7	5.3	5.2	6.0
15	OTHER OPERATION AND MAINTENANCE EXPENSES	5.5	4.4	3.8	4.3	4.5
16	DEPRECIATION AND AMORTIZATION EXPENSES	1.4	1.2	1.1	1.1	1.3
17	INCOME TAXES - OPERATING	1.1	1.1	1.0	0.4	0.2
18	OTHER TAXES - OPERATING	7.3	6.8	6.5	6.2	6.5
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	1.6	1.3	1.2	1.7	1.3
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	1.2	1.6	1.5	0.6	0.7
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 4.54	$ 4.84	$ 5.21	$ 4.30	$ 3.17
24	WAGES AND BENEFITS	0.41	0.36	0.35	0.28	0.24
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.33	0.27	0.25	0.23	0.18
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.08	0.07	0.07	0.06	0.05
27	INCOME TAXES - OPERATING	0.06	0.07	0.07	0.02	0.01
28	OTHER TAXES - OPERATING	0.44	0.42	0.43	0.33	0.26
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.10	0.08	0.08	0.09	0.05
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.07	0.10	0.10	0.03	0.03
32	TOTAL	$ 6.04	$ 6.21	$ 6.54	$ 5.34	$ 3.99

*THIS IS A STRAIGHT GAS COMPANY, THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY

GAS



MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

CONSOLIDATED EDISON CO. OF NEW YORK, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 793,242,870	$ 749,407,088	$ 712,681,079	$ 672,331,811	$ 630,080,663
2	ACCUM. PROVISION FOR DEPR. AND AMORT	161,314,247	142,064,274	124,979,540	110,276,631	98,045,479
3	NET GAS UTILITY PLANT	631,928,623	607,342,814	587,681,539	562,055,180	532,035,184
4	OTHER UTILITY PLANT	8,895,027,427	8,618,405,474	8,282,550,776	7,973,353,051	7,689,308,601
5	ACCUM. PROVISION FOR DEPR. AND AMORT	2,431,181,717	2,328,272,579	2,193,534,596	2,000,271,328	1,885,963,198
6	NET OTHER UTILITY PLANT	6,463,845,710	6,290,132,895	6,089,016,180	5,973,081,723	5,803,345,403
7	TOTAL UTILITY PLANT	9,688,270,297	9,367,812,562	8,995,211,855	8,645,684,862	8,319,389,264
8	ACCUM. PROVISION FOR DEPR. AND AMORT	2,592,495,964	2,470,336,853	2,318,514,136	2,110,547,959	1,984,008,677
9	NET TOTAL UTILITY PLANT	7,095,774,333	6,897,475,709	6,676,697,719	6,535,136,903	6,335,380,587
10	NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPRECIATION AND AMORTIZATION	2,668,546	3,303,442	3,480,748	3,296,745	4,311,841
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	6,380,957	5,947,074	5,399,750	4,717,267	3,977,052
13	OTHER INVESTMENTS	1,192,708	106,386	106,485	646,827	623,804
14	SPECIAL FUNDS	75,728	91,502	92,297	112,625	121,956,326
15	TOTAL OTHER PROPERTY AND INVESTMENTS	10,317,939	9,448,404	9,079,280	8,773,464	130,869,023
16	CASH	14,598,691	17,014,965	8,130,718	7,708,219	11,054,823
17	SPECIAL DEPOSITS	4,497,936	11,357,007	1,619,094	1,238,206	1,367,541
18	WORKING FUNDS	1,049,352	1,334,870	1,175,492	2,724,157	349,258
19	TEMPORARY CASH INVESTMENTS	836,760,669	748,555,642	589,685,961	333,255,335	347,419,150
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	403,169,594	402,444,478	425,476,680	369,151,372	364,871,435
21	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
22	MATERIALS AND SUPPLIES	294,866,183	320,672,805	293,681,950	316,638,230	300,980,902
23	GAS STORED UNDERGROUND-CURRENT	18,664,999	29,067,116	35,412,612	44,552,440	26,856,410
24	LIQUEFIED NATURAL GAS IN STORAGE	5,666,737	5,343,508	4,702,104	4,352,846	3,431,175
25	PREPAYMENTS	37,412,031	47,387,933	29,498,654	23,213,271	21,862,077
26	OTHER CURRENT AND ACCRUED ASSETS	8,345,833	15,067,974	9,782,374	3,596,106	6,590,372
27	TOTAL CURRENT AND ACCRUED ASSETS	1,625,032,025	1,598,246,298	1,399,165,639	1,108,430,182	1,085,283,143
28	UNAMORTIZED DEBT EXPENSE	20,417,887	15,811,046	16,973,988	18,154,592	19,352,485
29	EXTRAORDINARY PROPERTY LOSSES	60,740,772	31,910,678	37,016,386	6,721,110	33,605,550
30	PREL. SURVEY + INVESTIGATION CHARGES	178,302	3,131,048	-	-	-
31	CLEARING ACCOUNTS	2,744,174	3,524,777	3,894,793	3,358,790	2,551,152
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	6,425,459-	5,570,402-	7,686,497-	3,698,020-	-
34	ACCUMULATED DEFERRED INCOME TAXES	55,947,000	42,473,000	39,222,000	42,856,000	32,091,302
35	OTHER DEFERRED DEBITS	129,722,771	128,544,014	104,059,792	193,490,361	125,778,649
36	TOTAL DEFERRED DEBITS	263,325,447	219,824,161	193,480,462	260,882,833	213,379,138
37	TOTAL ASSETS AND OTHER DEBITS	$ 8,994,449,744	$ 8,724,994,572	$ 8,278,423,100	$ 7,911,223,382	$ 7,764,911,891
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 604,543,535	$ 649,489,585	$ 648,761,000	$ 642,627,220	$ 634,538,050
39	PREFERRED STOCK ISSUED	655,201,027	659,338,927	663,828,727	669,325,827	683,235,427
40	CAPITAL STOCK SUBSCRIBED	-	-	-		
41	STOCK LIABILITY FOR CONVERSION	-	-	-		-
42	PREMIUM ON CAPITAL STOCK	748,389,113	803,518,126	802,004,911	781,889,513	762,353,898
43	OTHER PAID-IN CAPITAL	-	-	-		-
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-		-
45	CAPITAL STOCK EXPENSE	33,250,913-	35,083,426-	35,094,014-	34,871,280-	34,120,755-
46	RETAINED EARNINGS	2,632,985,161	2,593,797,871	2,287,687,133	1,993,471,354	1,755,569,193
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	326,362	266,479	312,024	281,532	314,293-
48	REACQUIRED CAPITAL STOCK	-	-	-	-	-
49	TOTAL PROPRIETARY CAPITAL	4,608,194,285	4,671,325,562	4,387,499,781	4,052,724,166	3,801,281,520
50	BONDS (LESS BONDS REACQUIRED)	2,407,889,500	2,482,889,500	2,522,889,500	2,567,889,500	2,689,569,500
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	256,415,036	505,326	590,795	671,700	748,285
53	NET UNAMORTIZED PREMIUM + DISCOUNT	1,160,058	1,393,918	1,627,778	1,893,384	2,186,507
54	TOTAL LONG TERM DEBT	2,665,464,594	2,484,788,744	2,525,108,073	2,570,454,584	2,692,504,292
55	NOTES PAYABLE	-	-	-	-	-
56	ACCOUNTS PAYABLE	179,180,944	182,297,540	161,295,259	178,100,417	184,577,191
57	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
58	CUSTOMER DEPOSITS	116,107,083	101,956,559	86,276,383	79,754,681	74,920,571
59	TAXES ACCRUED	207,761,157	181,170,353	178,326,081	100,938,086	140,484,897
60	INTEREST ACCRUED	56,110,827	47,660,229	47,150,760	47,643,309	47,407,534
61	DIVIDENDS DECLARED	9,474,837	9,617,785	9,697,085	9,797,291	10,018,374
62	TAX COLLECTIONS PAYABLE	24,555,821	24,558,165	22,247,282	20,290,070	21,202,480
63	OTHER CURRENT AND ACCRUED LIABILITIES	185,815,083	164,088,768	148,486,614	141,275,661	145,866,557
64	TOTAL CURRENT AND ACCRUED LIABILITIES	779,005,752	711,339,399	653,479,464	577,799,515	624,476,604
65	CUSTOMER ADVANCES FOR CONSTRUCTION	2,772,667	1,990,124	960,217	524,400	19,657
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	283,158,000	261,490,000	240,990,000	225,280,000	196,200,000
68	OTHER DEFERRED CREDITS	71,265,803	76,555,906	60,820,705	70,615,098	97,111,740
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	526,000	796,000	1,647,000	2,415,000	3,192,627
70	LIBERALIZED DEPRECIATION	510,792,000	438,357,000	350,294,000	295,471,000	253,648,000
71	OTHER	64,146,000	70,627,000	68,053,000	107,742,000	88,527,238
72	TOTAL DEFERRED CREDITS	932,660,460	849,816,030	722,764,922	702,047,498	638,699,262
73	PROPERTY INSURANCE RESERVE	-	-	-	-	-
74	INJURIES AND DAMAGE RESERVES	9,124,653	7,724,837	9,570,860	8,197,619	7,970,213
75	PENSION AND BENEFITS RESERVE	-	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	9,124,653	7,724,837	9,570,860	8,197,619	7,970,213
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 8,994,449,744	$ 8,724,994,572	$ 8,278,423,100	$ 7,911,223,382	$ 7,764,911,891

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

CONSOLIDATED EDISON CO. OF NEW YORK, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 773,511,445	$ 763,071,285	$ 769,158,408	$ 694,197,645	$ 548,125,626	1
OPERATION AND MAINTENANCE EXPENSE	552,544,175	536,508,740	546,187,262	525,164,739	406,401,991	2
DEPRECIATION EXPENSE	31,183,555	27,832,021	24,336,804	22,423,282	18,373,966	3
AMORTIZATION	215,598	293,945	315,954	336,922	171,938	4
TAXES OTHER THAN INCOME TAXES	102,500,843	98,711,073	92,914,842	82,773,168	70,435,506	5
INCOME TAXES	16,584,000	23,824,000	33,578,000	13,656,000	1,116,000-	6
PROVISION FOR DEFERRED INCOME TAXES	36,803,000	33,647,000	33,669,000	31,727,000	25,254,000	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	25,172,000-	25,337,000-	34,551,000-	32,510,000-	14,529,000-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	714,659,171	695,479,779	696,450,862	643,571,111	502,992,401	12
NET OPERATING REVENUES	58,852,274	67,591,506	72,707,546	50,626,534	45,133,225	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	58,852,274	67,591,506	72,707,546	50,626,534	45,133,225	15
OTHER UTILITY OPERATING INCOME	656,290,938	683,373,836	656,074,208	587,040,132	549,243,133	16
TOTAL UTILITY OPERATING INCOME	715,143,212	750,965,342	728,781,754	637,666,666	594,376,358	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	4,285-	2,184-	4,954-	15,553-	5	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	298,368	277,738	243,482	316,995	304,131	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	59,883	81,191	94,379	89,758	78,178	21
INTEREST AND DIVIDEND INCOME	51,995,182	64,443,775	33,051,443	45,692,473	52,217,147	22
ALLOWANCE FOR CONSTRUCTION FUNDS	10,305,707	22,392,157	14,662,068	18,461,720	12,394,767	23
MISCELLANEOUS NONOPERATING INCOME	25,590	45,243	40,889	59,300	98,587	24
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	25
TOTAL OTHER INCOME	62,680,445	87,237,920	48,087,307	64,604,693	65,092,815	26
TOTAL INCOME	777,823,657	838,203,262	776,869,061	702,271,359	659,469,173	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	1,096,300	1,027,097	734,787	723,476	804,373	28
INCOME TAXES-NONOPERATING	18,860,000	26,340,000	12,210,000	18,630,000	21,230,000	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	6,013,387	6,467,062	6,433,303	4,806,321	4,810,264	32
TOTAL INCOME DEDUCTIONS	25,969,687	33,834,159	19,378,090	24,159,797	26,844,637	33
INCOME BEFORE INTEREST CHARGES	751,853,970	804,369,103	757,490,971	678,111,562	632,624,536	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	168,121,326	161,689,219	163,397,990	165,348,403	168,778,087	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	1,219,284	1,162,941	1,180,605	1,197,893	1,227,212	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	233,860-	233,860-	265,606-	293,123-	367,364-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	19,015,974	21,779,642	17,342,189	19,307,289	14,960,588	39
TOTAL INTEREST CHARGES	188,122,724	184,397,942	181,655,178	185,560,462	184,598,523	40
INCOME BEFORE EXTRAORDINARY ITEMS	563,731,246	619,971,161	575,835,793	492,551,100	448,026,013	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME		-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS		-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 563,731,246	$ 619,971,161	$ 575,835,793	$ 492,551,100	$ 448,026,013	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 2,593,797,871	$ 2,287,687,133	$ 1,993,471,354	$ 1,755,569,193	$ 1,535,345,504	47
BALANCE TRANSFERRED FROM INCOME	563,651,053	620,016,706	575,805,301	491,955,275	447,986,123	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	38,352,979	38,649,403	38,971,360	39,507,816	40,502,576	50
-COMMON STOCK	296,922,029	275,246,410	242,608,007	214,535,143	187,249,704	51
ADJUSTMENTS TO RETAINED EARNINGS	189,188,755-	10,155-	10,155-	10,155-	10,154-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,632,985,161	2,593,797,871	2,287,687,133	1,993,471,354	1,755,569,193	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	326,362	266,479	312,024	281,532	314,293-	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 2,633,311,523	$ 2,594,064,350	$ 2,287,999,157	$ 1,993,752,886	$ 1,755,254,900	56
SELECTED BALANCE SHEET RELATIONSHIPS						
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	1.00	0.96	0.90	0.94	1.10	57
OTHER UTILITY PLT./DOLLAR OF OTHER REVENUE	1.85	1.70	1.71	1.79	1.74	58
TOTAL UTILITY PLT./DOLLAR OF TOTAL REVENUE	1.73	1.60	1.60	1.67	1.67	59
CURRENT ASSETS / BY CURRENT LIABILITIES	2.09	2.25	2.14	1.91	1.74	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	36.6	34.7	36.6	38.8	41.4	61
PREFERRED STOCK	9.0	9.2	9.6	10.1	10.5	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	18.1	19.8	20.5	20.9	20.9	63
RETAINED EARNINGS	36.1	36.2	33.1	30.0	27.0	64
LONG-TERM DEBT % OF GROSS UTILITY PLANT	27.5	26.5	28.0	29.7	32.3	65
% OF NET UTILITY PLANT	37.5	36.0	37.8	39.3	42.4	66
ACCUM PROVISION FOR DEPR. % OF UTILITY PLT	26.7	26.3	25.7	24.4	23.8	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES % OF TOTAL OPERATING REVENUES	14.0	13.2	13.9	13.6	11.2	68
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	71.4	70.3	71.0	75.6	74.1	69
GAS DEPRECIATION AND AMORTIZATION	4.0	3.6	3.2	3.2	3.0	70
TOTAL INCOME TAXES-GAS, OPERATING	3.6	4.2	4.2	1.8	1.7	71
OTHER TAXES-GAS, OPERATING	13.2	12.9	12.0	11.9	12.8	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL GAS OPERATING EXPENSE	92.3	91.1	90.5	92.7	91.7	74
GAS OPERATING INCOME	7.6	8.8	9.4	7.2	8.2	75
GAS DEPR. AND AMORT. % OF GAS UTILITY PLT	3.9	3.7	3.4	3.3	2.6	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	3.4	3.2	3.3	3.7	3.8	77
PRETAX INTEREST COVERAGE	6.2	6.7	6.4	5.2	4.6	78
NET INCOME-PERCENT OF OPERATING REVENUES	10.2	10.7	10.4	9.6	9.1	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:-						
PERCENT OF OPERATING REVENUES	0.6	0.6	0.7	0.7	0.8	80
TIMES EARNED	14.7	16.0	14.8	12.5	11.1	81
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	5.3	4.7	4.3	4.2	3.8	82
% OF EARNINGS AVAILABLE FOR COMMON	56.5	47.3	45.1	47.3	45.9	83
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	13.1	15.0	15.1	13.9	13.5	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	7.4	7.1	6.8	6.5	6.2	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CONSOLIDATED EDISON CO OF NEW YORK, INC

LINE NO.		1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 563,731,246	$ 619,971,161	$ 575,835,793	$ 492,551,100	$ 448,026,013
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	318,841,688	280,771,956	289,848,174	278,095,698	245,932,397
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	77,820,000	110,610,000	27,990,000	62,410,000	34,040,000
4	INTEREST CAPITALIZED	10,305,707-	22,392,157-	14,662,068-	18,461,720-	12,394,767-
5	OTHER (NET)	17,008,004	-	-	-	36,735,178
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	967,095,231	988,960,960	879,011,899	814,595,078	752,338,821
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	967,095,231	988,960,960	879,011,899	814,595,078	752,338,821
10	LESS DIVIDENDS PREFERRED	38,352,979	38,649,403	38,971,360	39,507,816	40,502,576
11	COMMON	296,922,029	275,246,410	242,608,007	214,535,143	187,249,704
12	NET FUNDS FROM INTERNAL SOURCES	631,820,223	675,065,147	597,432,532	560,552,119	524,586,541
	EXTERNAL SOURCES					
13	LONG TERM DEBT	256,000,000	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	23,002,078	15,965,185	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	256,000,000	-	23,002,078	15,965,185	-
20	OTHER SOURCES (NET)	40,880,625	-	49,043,486	4,806,403	108,037,299
21						
22						
23	TOTAL FUNDS PROVIDED	$ 928,700,848	$ 675,065,147	$ 669,478,096	$ 581,323,707	$ 632,623,840
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	GAS PLANT	$ 48,593,177	$ 41,839,008	$ 44,379,756	$ 47,741,648	$ 62,329,704
25	LIQUEFIED NATURAL GAS PLANT	54,392	62,714	326,825	356,392	304,005
26	NON-UTILITY	-	-	-	-	-
27	OTHER	482,026,358	435,249,701	375,047,170	397,315,160	367,506,258
28	TOTAL GROSS ADDITIONS	530,673,927	477,151,423	419,753,751	445,413,200	430,139,967
29	LESS INTEREST CAPITALIZED	10,305,707	22,392,157	14,662,068	18,461,720	12,394,767
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	520,368,220	454,759,266	405,091,683	426,951,480	417,745,200
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	75,090,291	40,085,468	45,080,905	121,756,585	75,842,792
32	PREFERRED STOCK	2,250,000	2,250,000	2,250,000	2,250,000	2,250,000
33	REDEMPTION OF CAPITAL STOCK	289,337,811				
34	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
35	OTHER (NET)	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	366,678,102	42,335,468	47,330,905	124,006,585	78,092,792
38	OTHER USES (NET)	41,654,526	177,970,413	217,055,508	30,365,642	136,785,848
39						
40						
41	TOTAL FUNDS APPLIED	$ 928,700,848	$ 675,065,147	$ 669,478,096	$ 581,323,707	$ 632,623,840

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

CONSOLIDATED EDISON CO. OF NEW YORK, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO
		GAS OPERATING REVENUES				
REVENUES						
RESIDENTIAL	$ 393,936,043	$ 401,069,903	$ 402,411,419	$ 338,902,292	$ 290,626,996	1
COMMERCIAL AND INDUSTRIAL	322,489,137	298,595,754	302,660,865	305,383,212	220,685,636	2
OTHER SALES TO PUBLIC AUTHORITIES	36,308,917	45,032,452	48,836,675	36,194,981	32,311,677	3
INTERDEPARTMENTAL	-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	752,734,097	744,698,109	753,908,959	680,480,485	543,624,309	5
RESALE	-	-	-	-	-	6
TOTAL REVENUES FROM SALES OF GAS	752,734,097	744,698,109	753,908,959	680,480,485	543,624,309	7
OTHER GAS OPERATING REVENUES	20,777,348	18,373,176	15,249,449	13,717,160	4,501,317	8
TOTAL GAS OPERATING REVENUES	$ 773,511,445	$ 763,071,285	$ 769,158,408	$ 694,197,645	$ 548,125,626	9
GAS SALES (MCF)						
RESIDENTIAL	43,092,707	45,157,721	42,933,298	44,044,232	40,748,237	10
COMMERCIAL AND INDUSTRIAL	53,509,596	46,258,258	45,159,032	54,507,119	41,474,205	11
OTHER SALES TO PUBLIC AUTHORITIES	5,709,911	7,034,710	7,268,845	6,290,115	6,137,588	12
INTERDEPARTMENTAL	-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS	102,312,214	98,450,690	95,361,175	104,841,466	88,360,032	14
RESALE	-	-	-	-	-	15
TOTAL GAS SALES	102,312,214	98,450,690	95,361,175	104,841,466	88,360,032	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	934,783	934,075	932,439	933,394	936,376	17
COMMERCIAL AND INDUSTRIAL	84,132	82,433	81,289	80,446	79,348	18
OTHER SALES TO PUBLIC AUTHORITIES	1,359	1,286	1,270	1,193	1,351	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	1,020,274	1,017,794	1,014,998	1,015,033	1,017,075	21
RESALE	-	-	-	-	-	22
TOTAL CUSTOMERS	1,020,274	1,017,794	1,014,998	1,015,033	1,017,075	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 421.42	$ 429.38	$ 431.57	$ 363.09	$ 310.37	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	46	48	46	47	44	25
AVERAGE REVENUE PER MCF SOLD	$ 9.14	$ 8.88	$ 9.37	$ 7.69	$ 7.13	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 3,833.13	$ 3,622.28	$ 3,723.27	$ 3,798.13	$ 2,781.24	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	636	561	556	678	523	28
AVERAGE REVENUE PER MCF SOLD	$ 6.03	$ 6.45	$ 6.70	$ 5.60	$ 5.32	29
		GAS OPERATION AND MAINTENANCE EXPENSES				
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	-	-	-	-	-	31
NATURAL GAS						
PRODUCTION AND GATHERING	8,440	10,313	18,425	23,019	21,477	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	708,304,987	789,923,996	702,012,606	742,274,811	564,761,275	35
OTHER	320,433,143-	408,270,959-	303,761,720-	360,632,898-	300,400,211-	36
TOTAL PRODUCTION EXPENSE	387,880,284	381,663,350	398,269,311	381,664,932	264,382,541	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	2,562,859	2,464,079	2,421,190	2,864,982	2,093,241	39
TOTAL NATURAL GAS STORAGE EXPENSE	2,562,859	2,464,079	2,421,190	2,864,982	2,093,241	40
TRANSMISSION EXPENSES	-	-	-	-	-	41
DISTRIBUTION EXPENSES	78,843,259	70,950,719	68,981,219	66,917,449	70,876,297	42
CUSTOMER ACCOUNTS EXPENSES	32,124,355	33,150,908	30,738,766	30,604,990	30,145,478	43
SALES EXPENSES	3,030,682	3,256,394	2,941,977	3,097,278	3,164,143	44
ADMINISTRATIVE AND GENERAL EXPENSES	48,102,738	45,023,290	42,834,799	40,015,108	35,740,291	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 552,544,175	$ 536,508,740	$ 546,187,262	$ 525,164,739	$ 406,401,991	46
		GAS UTILITY PLANT*				
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	-	-	-	-	-	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	-	-	-	-	-	50
NATURAL GAS PLANT	1,562,549	1,715,597	1,959,838	2,244,896	2,464,774	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	35,314,066	35,115,770	35,025,381	34,799,182	34,476,789	54
TRANSMISSION PLANT	-	-	-	-	-	55
DISTRIBUTION PLANT	744,693,889	699,791,740	657,319,309	621,893,015	577,713,764	56
GENERAL PLANT	-	-	-	-	-	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	1,238,998	1,238,998	1,238,998	1,238,998	1,238,998	60
TOTAL GAS PLANT IN SERVICE	782,809,502	737,862,105	695,543,526	660,176,091	615,894,325	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	-	-	-	-	-	63
CONSTRUCTION WORK IN PROGRESS	10,433,368	11,544,983	17,117,553	12,155,720	14,186,338	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	793,242,870	749,407,088	712,661,079	672,331,811	630,080,663	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	161,314,247	142,064,274	124,979,540	110,276,631	98,045,479	67
NET GAS UTILITY PLANT	$ 631,928,623	$ 607,342,814	$ 587,681,539	$ 562,055,180	$ 532,035,184	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 737,862,105	$ 695,543,526	$ 660,176,091	$ 615,894,325	$ 555,369,728	69
ADDITIONS	49,760,163	47,474,284	39,744,747	50,128,658	65,336,948	70
RETIREMENTS	4,644,330	4,886,684	4,092,254	5,551,831	4,690,354	71
TRANSFERS AND ADJUSTMENTS	168,436-	269,021-	285,058-	295,061-	121,997-	72
PLANT IN SERVICE END OF YEAR	$ 782,809,502	$ 737,862,105	$ 695,543,526	$ 660,176,091	$ 615,894,325	73

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

CONSOLIDATED EDISON CO. OF NEW YORK, INC.

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 773,511,445	$ 763,071,285	$ 769,158,408	$ 694,197,645	$ 548,125,626
2	SALES (MCF)	102,312,214	98,450,690	95,361,175	104,841,468	88,360,032
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 387,871,844	$ 381,653,037	$ 398,250,886	$ 381,641,913	$ 264,381,064
4	WAGES AND BENEFITS	114,287,947	110,500,517	99,965,282	97,378,068	91,432,047
5	OTHER OPERATION AND MAINTENANCE EXPENSES	50,384,384	44,355,186	47,981,094	46,144,768	50,608,885
6	DEPRECIATION AND AMORTIZATION EXPENSES	31,399,153	28,125,966	24,652,758	22,760,204	16,545,904
7	INCOME TAXES - OPERATING	28,215,000	32,134,000	32,696,000	12,873,000	9,609,000
8	OTHER TAXES - OPERATING	102,500,843	98,711,073	92,914,842	82,773,168	70,435,508
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	17,656,700	17,068,887	16,703,773	16,274,600	15,835,034
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	3,597,630	3,575,191	3,582,768	3,443,180	3,466,275
11	EARNINGS AVAILABLE FOR COMMON EQUITY	37,597,944	46,957,428	52,421,005	30,908,754	25,831,922
12	TOTAL	$ 773,511,445	$ 763,071,285	$ 769,158,408	$ 694,197,645	$ 548,125,626
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	50.1	50.0	51.8	55.0	48.2
14	WAGES AND BENEFITS	14.8	14.5	13.0	14.0	16.7
15	OTHER OPERATION AND MAINTENANCE EXPENSES	6.5	5.8	6.2	6.6	9.2
16	DEPRECIATION AND AMORTIZATION EXPENSES	4.1	3.7	3.2	3.3	3.0
17	INCOME TAXES - OPERATING	3.6	4.2	4.3	1.9	1.8
18	OTHER TAXES - OPERATING	13.3	12.9	12.1	11.9	12.9
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	2.3	2.2	2.2	2.3	2.9
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.5	0.5	0.5	0.5	0.6
21	EARNINGS AVAILABLE FOR COMMON EQUITY	4.9	6.2	6.8	4.5	4.7
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.79	$ 3.88	$ 4.18	$ 3.64	$ 2.99
24	WAGES AND BENEFITS	1.12	1.12	1.05	0.93	1.03
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.49	0.45	0.50	0.44	0.57
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.31	0.29	0.26	0.22	0.19
27	INCOME TAXES - OPERATING	0.28	0.33	0.34	0.12	0.11
28	OTHER TAXES - OPERATING	1.00	1.00	0.97	0.79	0.80
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.17	0.17	0.18	0.16	0.18
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.04	0.04	0.04	0.03	0.04
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.37	0.48	0.55	0.29	0.29
32	TOTAL	$ 7.56	$ 7.75	$ 8.07	$ 6.62	$ 6.20
33	*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	9.39	9.27	9.21	8.97	8.74

GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

CORNING NATURAL GAS CORPORATION

LINE NO	ITEM		1985		1984		1983		1982		1981
			ASSETS AND OTHER DEBITS								
1	GAS UTILITY PLANT	$	8,928,097	$	8,686,530	$	8,383,931	$	8,228,939	$	7,453,881
2	ACCUM. PROVISION FOR DEPR. AND AMORT		3,373,312		3,221,679		3,070,440		2,917,114		2,559,377
3	NET GAS UTILITY PLANT		5,554,785		5,464,851		5,313,491		5,311,825		4,894,484
4	OTHER UTILITY PLANT		-		-		-		-		-
5	ACCUM. PROVISION FOR DEPR. AND AMORT		-		-		-		-		-
6	NET OTHER UTILITY PLANT		-		-		-		-		-
7	TOTAL UTILITY PLANT		8,928,097		8,686,530		8,383,931		8,228,939		7,453,881
8	ACCUM. PROVISION FOR DEPR. AND AMORT		3,373,312		3,221,679		3,070,440		2,917,114		2,559,377
9	NET TOTAL UTILITY PLANT		5,554,785		5,464,851		5,313,491		5,311,825		4,894,484
10	NONUTILITY PROPERTY LESS ACCUM. PROV FOR DEPRECIATION AND AMORTIZATION		-		-		-		-		-
11	INVESTMENT IN ASSOCIATED COMPANIES		-		-		-		-		-
12	INVESTMENT IN SUBSIDIARY COMPANIES		805,488		740,888		683,200		627,492		548,289
13	OTHER INVESTMENTS		-		-		-		-		-
14	SPECIAL FUNDS		425		425		425		425		425
15	TOTAL OTHER PROPERTY AND INVESTMENTS		805,913		741,313		683,625		627,917		548,714
16	CASH		281,855		285,080		315,308		291,283		255,902
17	SPECIAL DEPOSITS		100		200		-		300		600
18	WORKING FUNDS		2,150		2,150		2,150		2,100		2,100
19	TEMPORARY CASH INVESTMENTS		133,937		3,846		398,357		-		876,828
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS		5,693,324		4,862,729		6,846,088		6,128,777		5,207,715
21	RECEIVABLES FROM ASSOCIATED COMPANIES		36,383		30,970		31,640		32,278		36,619
22	MATERIALS AND SUPPLIES		101,095		86,922		88,914		92,428		88,948
23	GAS STORED UNDERGROUND-CURRENT		-		-		-		-		-
24	LIQUEFIED NATURAL GAS IN STORAGE		-		-		-		-		-
25	PREPAYMENTS		105,300		75,251		73,721		170,846		208,665
26	OTHER CURRENT AND ACCRUED ASSETS		78		-		-		-		3,102
27	TOTAL CURRENT AND ACCRUED ASSETS		6,354,222		5,327,148		7,756,178		6,717,992		6,680,479
28	UNAMORTIZED DEBT EXPENSE		22,000		25,505		29,444		33,383		37,322
29	EXTRAORDINARY PROPERTY LOSSES		-		-		-		-		-
30	PREL. SURVEY + INVESTIGATION CHARGES		2,950		-		-		-		-
31	CLEARING ACCOUNTS		-		-		-		-		-
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT		-		-		-		-		-
33	RESEARCH AND DEVELOPMENT		-		-		-		-		-
34	ACCUMULATED DEFERRED INCOME TAXES		-		-		-		-		-
35	OTHER DEFERRED DEBITS		1,290,647		330,987		726,512		802,995		9,670-
36	TOTAL DEFERRED DEBITS		1,315,597		356,492		755,956		836,378		27,652
37	TOTAL ASSETS AND OTHER DEBITS	$	14,030,517	$	11,889,804	$	14,509,250	$	13,494,112	$	12,151,329
			LIABILITIES AND OTHER CREDITS								
38	COMMON STOCK ISSUED	$	990,870	$	990,870	$	990,870	$	990,870	$	990,870
39	PREFERRED STOCK ISSUED		-		-		-		-		-
40	CAPITAL STOCK SUBSCRIBED		-		-		-		-		-
41	STOCK LIABILITY FOR CONVERSION		-		-		-		-		-
42	PREMIUM ON CAPITAL STOCK		-		-		-		-		-
43	OTHER PAID-IN CAPITAL		-		-		-		-		-
44	INSTALLMENTS REC'D ON CAPITAL STOCK		-		-		-		-		-
45	CAPITAL STOCK EXPENSE		-		-		-		-		-
46	RETAINED EARNINGS		2,200,243		2,134,229		2,008,493		1,830,972		1,516,826
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS		703,110		638,510		580,822		525,114		445,910
48	REACQUIRED CAPITAL STOCK		-		-		-		-		-
49	TOTAL PROPRIETARY CAPITAL		3,894,223		3,763,609		3,580,185		3,346,956		2,953,606
50	BONDS (LESS BONDS REACQUIRED)		541,000		621,000		720,000		800,000		880,000
51	ADVANCES FROM ASSOCIATED COMPANIES		-		-		-		-		-
52	OTHER LONG-TERM DEBT		112,648		184,067		493,761		599,760		705,041
53	NET UNAMORTIZED PREMIUM + DISCOUNT		-		-		-		-		-
54	TOTAL LONG TERM DEBT		653,648		805,067		1,213,761		1,399,760		1,585,041
55	NOTES PAYABLE		-		500,000		-		250,000		-
56	ACCOUNTS PAYABLE		6,018,063		5,278,376		7,613,686		6,609,120		5,726,614
57	PAYABLES TO ASSOCIATED COMPANIES		-		-		-		-		-
58	CUSTOMER DEPOSITS		138,236		129,127		106,149		91,531		111,007
59	TAXES ACCRUED		114,784		210,084		733,100		345,363		93,435
60	INTEREST ACCRUED		10,458		8,941		8,526		9,718		10,081
61	DIVIDENDS DECLARED		-		-		-		-		-
62	TAX COLLECTIONS PAYABLE		13,690		12,797		13,093		12,175		10,425
63	OTHER CURRENT AND ACCRUED LIABILITIES		165,984		194,301		185,986		84,887		68,665
64	TOTAL CURRENT AND ACCRUED LIABILITIES		6,461,214		6,333,626		8,660,540		7,402,794		6,020,227
65	CUSTOMER ADVANCES FOR CONSTRUCTION		-		-		292,773		-		-
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT		-		-		-		-		-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS		161,537		139,719		-		104,921		60,687
68	OTHER DEFERRED CREDITS		1,839,165		273,135		111,677		676,409		1,250,785
	ACCUMULATED DEFERRED INCOME TAXES,										
69	ACCELERATED AMORTIZATION		346,298		-		-		-		-
70	LIBERALIZED DEPRECIATION		630,432		283,769		219,810		352,642		124,511
71	OTHER		-		246,879		387,504		167,630		117,472
72	TOTAL DEFERRED CREDITS		2,977,432		943,502		1,011,764		1,301,602		1,553,455
73	PROPERTY INSURANCE RESERVE		-		-		-		-		-
74	INJURIES AND DAMAGE RESERVES		-		-		43,000		43,000		39,000
75	PENSION AND BENEFITS RESERVE		44,000		44,000		-		-		-
76	MISCELLANEOUS OPERATING RESERVES		-		-		-		-		-
77	TOTAL OPERATING RESERVES		44,000		44,000		43,000		43,000		39,000
78	TOTAL LIABILITIES AND OTHER CREDITS	$	14,030,517	$	11,889,804	$	14,509,250	$	13,494,112	$	12,151,329

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

CORNING NATURAL GAS CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 44,577,609	$ 53,995,617	$ 60,949,397	$ 52,550,829	$ 40,154,580	1
OPERATION AND MAINTENANCE EXPENSE	42,114,210	51,329,990	58,023,620	49,625,551	38,339,480	2
DEPRECIATION EXPENSE	205,100	197,412	194,010	177,927	161,269	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	1,503,400	1,741,937	1,845,264	1,560,519	1,217,506	5
INCOME TAXES	242,352-	373,111	285,568	209,864	67,858	6
PROVISION FOR DEFERRED INCOME TAXES	480,316	183,653	205,030	502,465	122,290	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	34,234	259,504-	117,988-	224,176-	7,380-	8
MISC. ADJUSTMENTS OF INCOME TAXES	9,168-	9,168-	9,168-	9,168-	9,168-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	44,085,740	53,557,431	60,426,336	51,842,982	39,891,855	12
NET OPERATING REVENUES	491,869	438,186	523,061	707,847	262,725	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	491,869	438,186	523,061	707,847	262,725	15
OTHER UTILITY OPERATING INCOME	-	-	-	-	-	16
TOTAL UTILITY OPERATING INCOME	491,869	438,186	523,061	707,847	262,725	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	-	-	-	-	-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	129,600	117,688	100,708	104,203	100,808	21
INTEREST AND DIVIDEND INCOME	26,625	54,750	45,687	102,045	218,496	22
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	23
MISCELLANEOUS NONOPERATING INCOME	-	-	168	-	-	24
GAIN ON DISPOSITION OF PROPERTY	-	11,853	-	-	-	25
TOTAL OTHER INCOME	156,225	184,291	146,563	206,248	319,304	26
TOTAL INCOME	648,094	622,477	669,624	914,095	582,029	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	28
INCOME TAXES-NONOPERATING	21,882-	15,726-	17,568-	18,319-	13,702-	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	7,160	3,607	5,138	5,940	6,067	32
TOTAL INCOME DEDUCTIONS	14,722-	12,119-	12,430-	12,379-	7,635-	33
INCOME BEFORE INTEREST CHARGES	662,816	634,596	682,054	926,474	589,664	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	62,171	77,292	94,760	105,267	115,746	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	3,505	3,939	3,939	3,939	3,939	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	125,667	52,862	56,828	146,475	67,421	39
TOTAL INTEREST CHARGES	191,343	134,093	155,527	255,681	187,106	40
INCOME BEFORE EXTRAORDINARY ITEMS	471,473	500,503	526,527	670,793	402,558	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 471,473	$ 500,503	$ 526,527	$ 670,793	$ 402,558	46
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 2,134,229	$ 2,008,493	$ 1,830,972	$ 1,516,826	$ 1,456,666	47
BALANCE TRANSFERRED FROM INCOME	406,873	442,815	470,819	591,590	321,750	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	50
-COMMON STOCK	340,859	317,079	293,298	277,444	261,590	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,200,243	2,134,229	2,008,493	1,830,972	1,516,826	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	703,110	638,510	580,822	525,114	445,910	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 2,903,353	$ 2,772,739	$ 2,589,315	$ 2,356,086	$ 1,962,736	56
SELECTED BALANCE SHEET RELATIONSHIPS						
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	0.20	0.16	0.14	0.15	0.18	57
OTHER UTILITY PLT /DOLLAR OF OTHER REVENUE	-	-	-	-	-	58
TOTAL UTILITY PLT /DOLLAR OF TOTAL REVENUE	0.20	0.16	0.14	0.15	0.18	59
CURRENT ASSETS / BY CURRENT LIABILITIES	0.98	0.84	0.90	0.91	1.11	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	14.3	17.6	25.3	29.4	34.9	61
PREFERRED STOCK	-	-	-	-	-	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	37.2	35.6	32.7	31.9	31.6	63
RETAINED EARNINGS	48.3	46.7	41.8	38.5	33.4	64
LONG-TERM DEBT % OF GROSS UTILITY PLANT	7.3	9.2	14.4	17.0	21.2	65
% OF NET UTILITY PLANT	11.7	14.7	22.8	26.3	32.3	66
ACCUM. PROVISION FOR DEPR. % OF UTILITY PLT	37.7	37.0	38.6	35.4	34.3	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	100.0	100.0	100.0	100.0	100.0	68
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	94.4	95.0	95.1	94.4	95.4	69
GAS DEPRECIATION AND AMORTIZATION	0.4	0.3	0.3	0.3	0.4	70
TOTAL INCOME TAXES-GAS, OPERATING	0.5	0.5	0.5	0.9	0.4	71
OTHER TAXES-GAS, OPERATING	3.3	3.2	3.0	2.9	3.0	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL GAS OPERATING EXPENSE	98.8	99.1	99.1	98.6	99.3	74
GAS OPERATING INCOME	1.1	0.8	0.8	1.3	0.6	75
GAS DEPR. AND AMORT. % OF GAS UTILITY PLT	2.2	2.2	2.3	2.1	2.1	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	0.4	0.2	0.3	0.5	0.5	77
PRETAX INTEREST COVERAGE	4.7	6.8	6.6	5.4	4.0	78
NET INCOME-PERCENT OF OPERATING REVENUES	1.0	0.9	0.8	1.2	1.0	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	80
TIMES EARNED	-	-	-	-	-	81
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	0.7	0.5	0.4	0.5	0.6	82
% OF EARNINGS AVAILABLE FOR COMMON	72.2	63.3	55.7	41.3	64.9	83
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	12.3	13.6	15.2	21.2	13.9	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	8.9	8.6	8.4	8.8	9.0	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CORNING NATURAL GAS CORPORATION

LINE NO.		1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 471,473	$ 500,503	$ 526,527	$ 670,793	$ 402,558
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	230,287	223,034	219,632	203,549	208,511
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	467,900	48,623-	93,797	322,523	137,383
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET):	-	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	1,169,660	674,914	839,956	1,196,865	748,452
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	1,169,660	674,914	839,956	1,196,865	748,452
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	340,859	317,078	293,298	277,444	261,590
12	NET FUNDS FROM INTERNAL SOURCES	828,801	357,836	546,658	919,421	486,862
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	-
20	OTHER SOURCES (NET):	1,664,859	524,431	319,794	1,622,836	389,148
21						
22						
23	TOTAL FUNDS PROVIDED	$ 2,493,660	$ 882,267	$ 866,452	$ 2,542,257	$ 876,010
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	GAS PLANT	$ 369,808	$ 391,829	$ 241,109	$ 868,975	$ 283,967
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	-	-	-	-	-
27	OTHER	-	-	-	-	-
28	TOTAL GROSS ADDITIONS	369,808	391,829	241,109	868,975	283,967
29	LESS INTEREST CAPITALIZED	-	-	-	-	-
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	369,808	391,829	241,109	868,975	283,967
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	151,419	408,695	185,999	185,281	184,592
32	PREFERRED STOCK	-	-	-	-	-
33	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
35	OTHER (NET):	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	151,419	408,695	185,999	185,281	184,592
38	OTHER USES (NET):	1,972,433	81,743	439,344	1,488,001	407,451
39						
40						
41	TOTAL FUNDS APPLIED	$ 2,493,660	$ 882,267	$ 866,452	$ 2,542,257	$ 876,010

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

CORNING NATURAL GAS CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
		GAS OPERATING REVENUES				
REVENUES						
RESIDENTIAL	$ 7,661,562	$ 8,180,812	$ 8,018,647	$ 7,308,420	$ 5,947,608	1
COMMERCIAL AND INDUSTRIAL	10,824,688	14,412,038	15,948,771	12,311,520	9,283,014	2
OTHER SALES TO PUBLIC AUTHORITIES	721,999	819,721	850,452	716,260	556,843	3
INTERDEPARTMENTAL	-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	19,208,249	23,412,572	24,817,870	20,338,200	15,787,465	5
RESALE	25,203,928	30,537,416	36,087,760	32,173,350	24,331,716	6
TOTAL REVENUES FROM SALES OF GAS	44,412,177	53,949,988	60,905,630	52,509,550	40,119,181	7
OTHER GAS OPERATING REVENUES	165,432	45,629	43,767	41,279	35,399	8
TOTAL GAS OPERATING REVENUES	$ 44,577,609	$ 53,995,617	$ 60,949,397	$ 52,550,829	$ 40,154,580	9
GAS SALES (MCF)						
RESIDENTIAL	1,495,807	1,628,268	1,485,331	1,661,208	1,664,750	10
COMMERCIAL AND INDUSTRIAL	2,247,715	3,068,731	3,170,501	2,874,109	2,822,787	11
OTHER SALES TO PUBLIC AUTHORITIES	147,428	169,395	163,925	169,165	163,153	12
INTERDEPARTMENTAL	-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS	3,890,950	4,866,394	4,819,757	4,704,482	4,650,690	14
RESALE	5,707,731	6,983,672	7,650,748	7,810,171	7,850,097	15
TOTAL GAS SALES	9,598,681	11,850,066	12,470,505	12,514,653	12,500,787	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	11,011	10,943	10,922	10,845	10,751	17
COMMERCIAL AND INDUSTRIAL	796	797	794	783	763	18
OTHER SALES TO PUBLIC AUTHORITIES	105	108	111	105	97	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	11,912	11,848	11,827	11,733	11,612	21
RESALE	2	2	2	2	1	22
TOTAL CUSTOMERS	11,914	11,850	11,829	11,735	11,613	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 695.81	$ 747.58	$ 734.17	$ 673.90	$ 553.21	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	136	149	136	153	155	25
AVERAGE REVENUE PER MCF SOLD	$ 5.12	$ 5.02	$ 5.40	$ 4.40	$ 3.57	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 13,598.85	$ 18,082.86	$ 20,086.61	$ 15,723.52	$ 12,166.47	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	2,824	3,850	3,993	3,671	3,700	28
AVERAGE REVENUE PER MCF SOLD	$ 4.82	$ 4.70	$ 5.03	$ 4.28	$ 3.29	29
		GAS OPERATION AND MAINTENANCE EXPENSES				
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	-	-	-	-	-	31
NATURAL GAS						
PRODUCTION AND GATHERING	-	-	-	-	-	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	40,060,851	49,338,228	56,076,424	47,826,192	36,699,683	35
OTHER	7,803	5,581	2,233	1,224	3,244	36
TOTAL PRODUCTION EXPENSE	40,068,654	49,343,809	56,078,657	47,827,416	36,702,927	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	-	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-	40
TRANSMISSION EXPENSES	206,891	207,532	210,075	173,767	121,472	41
DISTRIBUTION EXPENSES	453,498	448,880	438,582	407,617	351,723	42
CUSTOMER ACCOUNTS EXPENSES	320,039	320,676	340,915	333,551	276,115	43
SALES EXPENSES	99,651	93,329	84,608	72,724	66,808	44
ADMINISTRATIVE AND GENERAL EXPENSES	966,477	915,764	870,783	810,476	820,435	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 42,114,210	$ 51,329,990	$ 58,023,620	$ 49,625,551	$ 38,339,480	46
		GAS UTILITY PLANT				
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 10,649	$ 10,649	$ 10,649	$ 10,649	$ 1,638	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	-	-	-	-	-	50
NATURAL GAS PLANT	38,858	48,792	130,591	130,591	121,428	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	-	-	-	-	-	54
TRANSMISSION PLANT	2,851,182	2,837,513	2,810,853	2,797,934	2,382,081	55
DISTRIBUTION PLANT	4,599,837	4,382,347	4,169,388	4,083,358	3,837,863	56
GENERAL PLANT	1,388,261	1,370,016	1,265,015	1,218,031	1,088,596	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	8,888,787	8,649,317	8,386,496	8,240,563	7,431,606	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	-	-	-	-	-	63
CONSTRUCTION WORK IN PROGRESS	39,310	37,213	2,565-	11,624-	22,255	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	8,928,097	8,686,530	8,383,931	8,228,939	7,453,861	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	3,373,312	3,221,679	3,070,440	2,917,114	2,559,377	67
NET GAS UTILITY PLANT	$ 5,554,785	$ 5,464,851	$ 5,313,491	$ 5,311,825	$ 4,894,484	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 8,649,317	$ 8,386,496	$ 8,240,563	$ 7,431,606	$ 7,154,888	69
ADDITIONS	381,319	433,850	231,880	448,384	372,813	70
RETIREMENTS	131,915	89,229	86,117	93,897	96,095	71
TRANSFERS AND ADJUSTMENTS	9,934-	81,800-	170	454,470	-	72
PLANT IN SERVICE END OF YEAR	$ 8,888,787	$ 8,649,317	$ 8,386,496	$ 8,240,563	$ 7,431,606	73

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

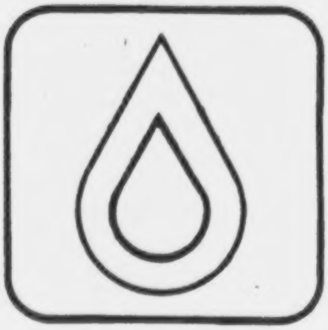
YEARS ENDED DECEMBER 31

CORNING NATURAL GAS CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 44,577,609	$ 53,995,617	$ 60,949,397	$ 52,550,829	$ 40,154,580
2	SALES (MCF)	9,598,681	11,850,066	12,470,505	12,514,653	12,500,787
	DOLLAR AMOUNTS					
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 40,068,654	$ 49,343,809	$ 56,078,657	$ 47,827,416	$ 38,702,927
4	WAGES AND BENEFITS	1,367,126	1,351,762	1,231,325	1,090,548	1,017,930
5	OTHER OPERATION AND MAINTENANCE EXPENSES	678,430	634,419	713,638	707,587	618,623
6	DEPRECIATION AND AMORTIZATION EXPENSES	205,100	197,412	194,010	177,927	161,269
7	INCOME TAXES - OPERATING	263,030	288,092	363,442	478,985	173,600
8	OTHER TAXES - OPERATING	1,503,400	1,741,937	1,845,264	1,560,519	1,217,506
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	191,343	134,093	155,527	255,681	187,106
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	300,528	304,093	367,534	452,166	75,619
12	TOTAL	$ 44,577,609	$ 53,995,617	$ 60,949,397	$ 52,550,829	$ 40,154,580
	PERCENT OF REVENUES					
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	89.9	91.4	92.0	91.0	91.4
14	WAGES AND BENEFITS	3.1	2.5	2.0	2.1	2.5
15	OTHER OPERATION AND MAINTENANCE EXPENSES	1.5	1.2	1.2	1.3	1.5
16	DEPRECIATION AND AMORTIZATION EXPENSES	0.5	0.4	0.3	0.3	0.4
17	INCOME TAXES - OPERATING	0.6	0.5	0.6	0.9	0.4
18	OTHER TAXES - OPERATING	3.4	3.2	3.0	3.0	3.0
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.4	0.2	0.3	0.5	0.5
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	0.7	0.6	0.6	0.9	0.2
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	DOLLARS PER MCF					
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 4.17	$ 4.16	$ 4.50	$ 3.82	$ 2.94
24	WAGES AND BENEFITS	0.14	0.11	0.10	0.09	0.08
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.07	0.05	0.06	0.06	0.05
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.02	0.02	0.02	0.01	0.01
27	INCOME TAXES - OPERATING	0.03	0.02	0.03	0.04	0.01
28	OTHER TAXES - OPERATING	0.16	0.15	0.15	0.12	0.10
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.02	0.01	0.01	0.02	0.01
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.03	0.03	0.03	0.04	0.01
32	TOTAL	$ 4.64	$ 4.56	$ 4.89	$ 4.20	$ 3.21

*THIS IS A STRAIGHT GAS COMPANY, THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY

GAS



MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

LONG ISLAND LIGHTING COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 397,767,512	$ 379,536,724	$ 368,911,767	$ 353,509,693	$ 334,363,007
2	ACCUM. PROVISION FOR DEPR. AND AMORT.	112,965,804	105,720,544	99,123,215	93,054,159	87,615,653
3	NET GAS UTILITY PLANT	284,801,708	273,816,180	269,788,552	260,455,534	246,747,354
4	OTHER UTILITY PLANT	7,769,471,113	6,893,007,284	6,053,608,031	5,183,231,708	4,328,038,729
5	ACCUM. PROVISION FOR DEPR. AND AMORT.	740,105,284	682,844,026	628,174,775	579,463,683	532,999,793
6	NET OTHER UTILITY PLANT	7,029,365,829	6,210,163,258	5,425,433,256	4,603,768,025	3,795,038,936
7	TOTAL UTILITY PLANT	8,167,238,625	7,272,544,008	6,422,519,798	5,536,741,401	4,662,401,736
8	ACCUM. PROVISION FOR DEPR. AND AMORT.	853,071,088	788,564,570	727,297,990	672,517,842	620,615,446
9	NET TOTAL UTILITY PLANT	7,314,167,537	6,483,979,438	5,695,221,808	4,864,223,559	4,041,786,290
10	NONUTILITY PROPERTY LESS ACCUM. PROV FOR DEPRECIATION AND AMORTIZATION	1,885,950	2,810,569	2,815,520	2,823,013	2,863,678
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	519,522	569,669	636,925	608,056	547,010
13	OTHER INVESTMENTS	65,941,156	65,199,518	124,070,972	59,428,449	71,926,494
14	SPECIAL FUNDS	59,212	59,212	59,212	59,212	64,211
15	TOTAL OTHER PROPERTY AND INVESTMENTS	68,405,840	68,638,968	127,582,629	62,918,730	75,401,393
16	CASH	11,829,970	9,933,849	3,146,597	8,671,381	9,858,437
17	SPECIAL DEPOSITS	74,863,124	61,899,894	3,557,160	8,307,719	601,801
18	WORKING FUNDS	197,580	171,487	154,187	166,575	164,925
19	TEMPORARY CASH INVESTMENTS	3,300,000	21,600,000	272,073,860	18,200,000	42,200,000
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	177,801,513	183,446,914	168,028,746	149,785,401	149,241,024
21	RECEIVABLES FROM ASSOCIATED COMPANIES	1,838-	2,130-	2,572-	3,120	2,266
22	MATERIALS AND SUPPLIES	71,197,194	77,368,452	71,786,226	103,193,616	96,397,365
23	GAS STORED UNDERGROUND-CURRENT	37,170,628	41,959,894	42,404,131	45,209,692	34,785,206
24	LIQUEFIED NATURAL GAS IN STORAGE	2,257,044	1,755,186	1,545,198	1,735,002	1,360,545
25	PREPAYMENTS	12,047,416	2,014,517	1,060,487	1,016,606	1,317,582
26	OTHER CURRENT AND ACCRUED ASSETS	23,987,547	27,254,647	23,248,778	24,930,582	25,929,233
27	TOTAL CURRENT AND ACCRUED ASSETS	414,450,178	427,402,710	587,002,798	361,219,694	361,858,384
28	UNAMORTIZED DEBT EXPENSE	31,833,338	31,852,357	18,603,746	17,446,019	15,100,799
29	EXTRAORDINARY PROPERTY LOSSES	25,537,410	42,512,850	-	474,412	991,953
30	PREL. SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
31	CLEARING ACCOUNTS	-	-	-	-	-
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	15,062,718-	11,865,267-	2,495,654-	1,426,027	1,673,639
34	ACCUMULATED DEFERRED INCOME TAXES	26,285,692	26,295,356	9,825,413	8,727,787	7,858,185
35	OTHER DEFERRED DEBITS	88,877,333	32,120,027	13,732,361	33,288,383	16,698,913
36	TOTAL DEFERRED DEBITS	157,471,055	122,915,323	39,665,866	61,362,628	42,323,489
37	TOTAL ASSETS AND OTHER DEBITS	$ 7,954,494,610	$ 7,102,936,439	$ 6,449,473,101	$ 5,349,724,611	$ 4,521,369,556
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 555,294,495	$ 551,060,780	$ 520,600,360	$ 502,864,435	$ 406,852,985
39	PREFERRED STOCK ISSUED	754,868,000	754,868,800	799,168,600	646,720,300	584,333,000
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	996,986,474	996,016,528	962,892,136	919,776,520	723,259,670
43	OTHER PAID-IN CAPITAL	3,637,299	3,637,299	1,333,416	1,064,427	512,793
44	INSTALLMENTS REC'D ON CAPITAL STOCK	107,481	342,890	337,245	443,061	467,871
45	CAPITAL STOCK EXPENSE	56,116,102-	56,103,001-	56,278,151-	50,334,877-	42,107,325-
46	RETAINED EARNINGS	1,480,471,857	956,192,008	579,961,235	501,680,906	439,209,440
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	172,471	164,293	153,997	125,128	76,082
48	REACQUIRED CAPITAL STOCK	7,653,963-	505,284-	1,771,600-	-	568,980-
49	TOTAL PROPRIETARY CAPITAL	3,727,768,012	3,205,674,313	2,806,397,238	2,522,339,900	2,112,035,536
50	BONDS (LESS BONDS REACQUIRED)	2,141,000,000	1,837,500,000	1,716,000,000	1,643,000,000	1,515,000,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	1,292,095,003	1,296,104,661	1,345,151,764	665,164,241	502,320,084
53	NET UNAMORTIZED PREMIUM + DISCOUNT	9,414,094-	9,658,157-	8,197,924-	5,604,200-	2,348,965-
54	TOTAL LONG TERM DEBT	3,423,680,909	3,123,946,504	3,052,953,840	2,302,560,041	2,014,971,119
55	NOTES PAYABLE	-	-	-	-	-
56	ACCOUNTS PAYABLE	102,166,095	120,943,807	111,937,957	147,674,248	122,486,408
57	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
58	CUSTOMER DEPOSITS	14,013,590	12,761,596	12,230,663	10,865,230	9,768,577
59	TAXES ACCRUED	20,100,409	124,131,381	54,620,653	56,665,537	28,525,609
60	INTEREST ACCRUED	59,618,325	59,579,666	61,412,898	44,725,931	40,216,141
61	DIVIDENDS DECLARED	-	-	67,488,118	60,428,695	46,103,619
62	TAX COLLECTIONS PAYABLE	4,174,097	4,594,247	4,470,561	3,934,716	4,137,189
63	OTHER CURRENT AND ACCRUED LIABILITIES	45,267,803	39,051,309	23,817,666	23,821,444	26,306,500
64	TOTAL CURRENT AND ACCRUED LIABILITIES	245,340,319	361,062,006	335,978,516	348,115,801	277,544,043
65	CUSTOMER ADVANCES FOR CONSTRUCTION	4,428,264	3,384,718	3,021,885	2,619,722	2,162,140
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	289,045,446	243,906,530	143,790,116	90,795,116	59,036,116
68	OTHER DEFERRED CREDITS	183,838,163	106,482,867	71,461,297	47,454,081	3,582,604-
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	1,313,530	1,744,440	2,175,420	2,606,400	3,037,380
70	LIBERALIZED DEPRECIATION	39,516,513	26,936,127	20,908,819	17,393,431	15,969,913
71	OTHER	30,229,919	10,821,005	6,199,517	9,991,087	36,263,460
72	TOTAL DEFERRED CREDITS	548,371,835	393,255,687	247,557,054	170,859,817	112,886,405
73	PROPERTY INSURANCE RESERVE	-	-	925,926	925,926	500,000
74	INJURIES AND DAMAGE RESERVES	8,456,239	7,121,867	6,437,577	7,336,675	5,465,692
75	PENSION AND BENEFITS RESERVE	2,097,539	1,679,971	1,232,996	720,000	-
76	MISCELLANEOUS OPERATING RESERVES	1,220,243-	10,196,091	2,010,046-	3,133,549-	2,033,239-
77	TOTAL OPERATING RESERVES	9,333,535	18,997,929	6,586,453	5,849,052	3,932,453
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 7,954,494,610	$ 7,102,936,439	$ 6,449,473,101	$ 5,349,724,611	$ 4,521,369,556

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

LONG ISLAND LIGHTING COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 438,420,039	$ 483,835,248	$ 447,198,635	$ 389,684,297	$ 327,070,018	1
OPERATION AND MAINTENANCE EXPENSE	321,640,210	386,210,627	361,553,528	310,559,543	259,851,378	2
DEPRECIATION EXPENSE	8,158,905	7,910,709	7,619,556	7,205,910	6,696,302	3
AMORTIZATION	72,626	99,796	616,246	706,995	777,513	4
TAXES OTHER THAN INCOME TAXES	46,678,329	42,163,952	39,362,375	34,144,039	31,443,991	5
INCOME TAXES	9,223,864	20,002,830	14,474,329	5,080,261	1,993,401	6
PROVISION FOR DEFERRED INCOME TAXES	2,107,164	4,208,628	3,589,444-	5,602,454	4,607,938	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	9,314,757	9,215,316-	1,820,127-	749,458-	505,856-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	397,195,855	451,381,226	418,216,463	362,549,744	304,865,265	12
NET OPERATING REVENUES	41,224,184	32,454,022	28,982,172	27,134,553	22,204,753	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	41,224,184	32,454,022	28,982,172	27,134,553	22,204,753	15
OTHER UTILITY OPERATING INCOME	346,915,754	281,405,645	240,565,653	220,641,312	205,831,504	16
TOTAL UTILITY OPERATING INCOME	388,139,938	313,859,667	269,547,825	247,775,865	228,036,257	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	38,891-	81,143	119,210-	191,842-	99,254-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	67,238	1,909-	14,986-	31,375-	20,985-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	66,504	68,621	87,194	84,041	15,536-	21
INTEREST AND DIVIDEND INCOME	2,414,817	20,993,947	12,892,725	6,575,347	5,400,138	22
ALLOWANCE FOR CONSTRUCTION FUNDS	378,239,590	310,120,981	284,841,162	201,376,733	148,006,187	23
MISCELLANEOUS NONOPERATING INCOME	39,768-	39,938	69,658-	71,663-	53,313-	24
GAIN ON DISPOSITION OF PROPERTY	13,120	-	22,567	289,493	123,673	25
TOTAL OTHER INCOME	380,722,810	331,222,845	297,639,794	208,030,734	153,340,910	26
TOTAL INCOME	768,862,748	645,082,512	567,187,619	455,806,599	381,377,167	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	353,495	3,758,779-	148,331-	88,725-	371,989-	28
INCOME TAXES-NONOPERATING	85,049,531-	81,003,124-	31,511,016-	39,915,045-	26,579,269-	29
LOSS ON DISPOSITION OF PROPERTY	6,485	-	54	8,977	-	30
MISCELLANEOUS AMORTIZATION	-	599,289	1,177,407	1,177,407	1,177,407	31
MISCELLANEOUS INCOME DEDUCTIONS	2,727,274	13,494,787	3,283,747	2,869,185	942,876	32
TOTAL INCOME DEDUCTIONS	81,962,277-	70,667,827-	27,198,139-	35,948,201-	24,830,975-	33
INCOME BEFORE INTEREST CHARGES	850,825,025	715,750,339	594,385,758	491,754,800	406,208,142	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	310,975,697	275,978,832	214,952,213	170,574,406	134,173,882	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	11,257,645	5,825,519	2,126,276	1,805,826	1,367,622	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	115,692-	127,038-	129,173-	131,298-	131,813-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	4,419,348	6,285,120	12,462,783	10,112,284	23,065,900	39
TOTAL INTEREST CHARGES	326,536,998	287,962,433	229,412,099	182,361,218	158,475,591	40
INCOME BEFORE EXTRAORDINARY ITEMS	524,288,027	427,787,906	364,973,659	309,393,582	247,732,551	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-		-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-		-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-		-	45
NET INCOME	$ 524,288,027	$ 427,787,906	$ 364,973,659	$ 309,393,582	$ 247,732,551	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 956,192,008	$ 579,961,235	$ 501,680,906	$ 439,209,440	$ 390,986,099	47
BALANCE TRANSFERRED FROM INCOME	524,279,849	427,777,810	364,944,790	309,344,537	247,783,081	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	-	51,545,380	78,998,038	60,008,969	49,288,212	50
-COMMON STOCK	-	258	207,628,164	186,864,102	150,270,330	51
ADJUSTMENTS TO RETAINED EARNINGS	-	1,199-	38,259-	-	1,198-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	1,480,471,857	956,192,008	579,961,235	501,680,906	439,209,440	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	172,471	164,293	153,997	125,128	76,082	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 1,480,644,328	$ 956,356,301	$ 580,115,232	$ 501,806,034	$ 439,285,522	56
SELECTED BALANCE SHEET RELATIONSHIPS						
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	0.89	0.77	0.81	0.88	0.99	57
OTHER UTILITY PLT./DOLLAR OF OTHER REVENUE	4.37	4.01	3.91	3.60	2.89	58
TOTAL UTILITY PLT./DOLLAR OF TOTAL REVENUE	3.65	3.26	3.17	2.98	2.53	59
CURRENT ASSETS / BY CURRENT LIABILITIES	1.69	1.18	1.75	1.04	1.30	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	47.8	49.3	52.1	47.7	48.8	61
PREFERRED STOCK	10.5	11.9	13.6	13.4	14.1	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	20.8	23.6	24.3	28.4	26.3	63
RETAINED EARNINGS	20.7	15.1	9.8	10.3	10.6	64
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	41.9	42.9	47.5	41.5	43.2	65
% OF NET UTILITY PLANT	46.8	48.1	53.6	47.3	49.8	66
ACCUM PROVISION FOR DEPR.: % OF UTILITY PLT	10.4	10.8	11.3	12.1	13.3	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	20.7	23.0	23.7	22.7	18.8	68
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	73.3	79.8	80.8	79.6	79.4	69
GAS DEPRECIATION AND AMORTIZATION	1.8	1.6	1.8	2.0	2.2	70
TOTAL INCOME TAXES-GAS, OPERATING	4.7	3.0	2.0	2.5	1.8	71
OTHER TAXES-GAS, OPERATING	10.6	8.7	8.8	8.7	9.6	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL GAS OPERATING EXPENSE	90.5	93.2	93.5	93.0	93.2	74
GAS OPERATING INCOME	9.4	6.7	6.4	6.9	6.7	75
GAS DEPR. AND AMORT. % OF GAS UTILITY PLT	2.0	2.1	2.2	2.2	2.2	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	15.4	13.7	12.2	10.7	9.2	77
PRETAX INTEREST COVERAGE *	2.8	2.4	2.5	2.4	2.3	78
NET INCOME-PERCENT OF OPERATING REVENUES	24.7	20.3	19.3	18.0	14.3	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK: **						
PERCENT OF OPERATING REVENUES	3.9	4.1	4.1	3.5	2.8	80
TIMES EARNED	6.3	4.9	4.6	5.2	5.0	81
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	-	-	11.0	10.9	8.6	82
% OF EARNINGS AVAILABLE FOR COMMON	-	-	72.6	74.9	75.7	83
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	16.2**	15.2**	14.7	14.6	13.9	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	10.6	10.9	10.5	85

*LONG ISLAND LIGHTING COMPANY INCLUDES INTEREST ON TRUST OBLIGATIONS

**CALCULATION ASSUMES LONG ISLAND LIGHTING COMPANY'S PREFERRED DIVIDENDS ARE ACCRUED

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

LONG ISLAND LIGHTING COMPANY

LINE NO		1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 524,288,027	$ 427,787,905	$ 364,973,659	$ 309,393,582	$ 247,732,550
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	83,864,214	71,390,748	64,477,554	62,628,005	61,053,711
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	153,530,738	101,719,289	65,019,864	48,052,657	59,179,814
4	INTEREST CAPITALIZED	378,239,591-	310,120,980-	284,841,162-	201,376,733-	148,006,188-
5	OTHER (NET)	28,649,645	24,726,099	13,166,782	13,608,107	7,296,030
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	411,893,033	315,503,061	222,796,697	232,305,619	227,255,917
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	411,893,033	315,503,061	222,796,697	232,305,619	227,255,917
10	LESS DIVIDENDS PREFERRED	-	51,545,379	78,998,037	80,008,969	49,288,202
11	COMMON	-	258	207,628,164	186,864,102	150,270,340
12	NET FUNDS FROM INTERNAL SOURCES	411,893,033	263,957,424	63,829,504-	14,567,452-	27,697,375
	EXTERNAL SOURCES					
13	LONG TERM DEBT	503,729,554	264,500,000	685,000,000	217,200,000	300,000,000
14	PREFERRED STOCK	-	-	171,768,990	76,120,614	65,398,645
15	COMMON STOCK	2,180,427-	63,584,811	54,351,541	292,528,300	161,409,416
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	54,292,006-	84,990,491-	175,039,568	145,692,004	87,893,715
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	447,257,121	243,094,320	1,086,160,099	731,540,918	614,701,776
20	OTHER SOURCES (NET):	1,204,313	291,479,720	37,755,964	96,271,606	35,933,616
21						
22						
23	TOTAL FUNDS PROVIDED	$ 860,354,467	$ 798,531,464	$ 1,060,086,559	$ 813,245,072	$ 678,332,767
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	GAS PLANT	$ 21,200,071	$ 12,742,450	$ 18,557,021	$ 22,386,672	$ 23,627,079
25	LIQUEFIED NATURAL GAS PLANT	548,873	316,727	390,164	231,072	138,969
26	NON-UTILITY	-	-	-	-	-
27	OTHER	879,434,506	907,994,337	880,729,522	865,943,509	566,044,182
28	TOTAL GROSS ADDITIONS	901,183,450	921,053,514	899,676,707	888,561,253	589,810,230
29	LESS INTEREST CAPITALIZED	378,239,591	310,120,980	284,841,162	201,376,733	148,006,188
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	522,943,859	610,932,534	614,835,545	687,184,520	441,804,042
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	149,947,206	107,056,611	107,052,046	72,047,847	60,043,987
32	PREFERRED STOCK	800	40,729,602	14,323,300	12,612,700	9,117,230
33	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	142,221,297
35	OTHER (NET)	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	149,948,006	147,786,213	121,375,346	84,660,547	211,382,514
38	OTHER USES (NET)	187,462,602	39,812,717	323,875,668	41,400,005	25,146,211
39						
40						
41	TOTAL FUNDS APPLIED	$ 860,354,467	$ 798,531,464	$ 1,060,086,559	$ 813,245,072	$ 678,332,767

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

LONG ISLAND LIGHTING COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
GAS OPERATING REVENUES						
REVENUES						
RESIDENTIAL	$ 225,995,049	$ 230,950,887	$ 222,898,490	$ 193,588,324	$ 162,434,808	1
COMMERCIAL AND INDUSTRIAL	126,756,742	127,116,989	126,829,349	117,330,998	97,544,697	2
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	30,876	3
INTERDEPARTMENTAL	82,742,339	123,560,918	95,284,658	76,682,108	64,957,014	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	435,494,130	481,628,794	445,010,497	387,601,430	324,987,395	5
RESALE	-	-	-	-	-	6
TOTAL REVENUES FROM SALES OF GAS	435,494,130	481,628,794	445,010,497	387,601,430	324,987,395	7
OTHER GAS OPERATING REVENUES	2,925,909	2,206,455	2,188,138	2,082,867	2,102,623	8
TOTAL GAS OPERATING REVENUES	$ 438,420,039	$ 483,835,249	$ 447,198,635	$ 389,684,297	$ 327,070,018	9
GAS SALES (MCF)						
RESIDENTIAL	28,929,719	30,186,846	28,519,898	29,786,541	29,318,190	10
COMMERCIAL AND INDUSTRIAL	19,032,617	19,025,393	18,252,638	19,789,153	19,034,686	11
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	9,219	12
INTERDEPARTMENTAL	19,350,089	26,963,001	21,929,212	18,498,289	15,572,792	13
TOTAL SALES TO ULTIMATE CONSUMERS	67,312,425	76,175,241	68,701,749	68,073,984	63,934,888	14
RESALE	-	-	-	-	-	15
TOTAL GAS SALES	67,312,425	76,175,241	68,701,749	68,073,984	63,934,888	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	371,187	369,537	368,217	365,902	363,429	17
COMMERCIAL AND INDUSTRIAL	33,162	32,452	32,226	32,028	31,722	18
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	43	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	404,349	401,989	400,443	397,930	395,194	21
RESALE	-	-	-	-	-	22
TOTAL CUSTOMERS	404,349	401,989	400,443	397,930	395,194	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 608.84	$ 624.97	$ 605.34	$ 529.07	$ 446.95	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	78	82	77	81	81	25
AVERAGE REVENUE PER MCF SOLD	$ 7.81	$ 7.65	$ 7.82	$ 6.50	$ 5.54	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 3,822.35	$ 3,917.08	$ 3,935.62	$ 3,663.39	$ 3,074.99	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	574	586	566	618	600	28
AVERAGE REVENUE PER MCF SOLD	$ 6.66	$ 6.68	$ 6.95	$ 5.93	$ 5.12	29
GAS OPERATION AND MAINTENANCE EXPENSES						
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	$ 144,399	$ 165,470	$ 215,919	$ 209,368	$ 174,156	30
MANUFACTURED GAS	805,287	621,542	610,853	1,061,149	656,294	31
NATURAL GAS						
PRODUCTION AND GATHERING	7,606	7,917	16,135	5,902	25,627	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	277,382,554	313,383,544	299,312,268	265,327,569	215,784,740	35
OTHER	4,704,045	806,730	3,785,967	9,744,624-	7,240,887-	36
TOTAL PRODUCTION EXPENSE	283,043,891	314,985,203	303,941,142	256,859,364	209,399,930	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	2,149,712	2,028,067	1,776,160	1,734,037	1,509,442	39
TOTAL NATURAL GAS STORAGE EXPENSE	2,149,712	2,028,067	1,776,160	1,734,037	1,509,442	40
TRANSMISSION EXPENSES	4,400,631	4,264,249	4,090,308	3,861,130	3,933,724	41
DISTRIBUTION EXPENSES	30,123,883	29,408,888	30,462,680	28,720,632	27,633,363	42
CUSTOMER ACCOUNTS EXPENSES	7,578,900	7,242,220	8,366,774	7,578,217	6,937,606	43
SALES EXPENSES	769,096	1,078,795	864,531	1,205,830	1,651,322	44
ADMINISTRATIVE AND GENERAL EXPENSES	6,425,906-	27,223,205	12,051,933	10,600,333	8,785,391	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 321,640,210	$ 386,210,627	$ 361,553,528	$ 310,559,543	$ 259,851,378	46
GAS UTILITY PLANT*						
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	-	-	-	-	-	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	5,507,086	5,453,216	5,438,106	5,290,939	5,485,029	50
NATURAL GAS PLANT	685,086	743,886	824,614	939,393	1,097,791	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	12,697,753	12,594,543	12,644,404	12,490,287	12,464,802	54
TRANSMISSION PLANT	61,461,111	58,277,927	56,231,624	52,042,364	50,316,915	55
DISTRIBUTION PLANT	290,208,827	278,996,494	272,716,778	257,809,729	239,324,725	56
GENERAL PLANT	12,885,244	11,711,733	11,563,690	11,809,592	10,090,054	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	754,383	754,383	754,383	754,383	754,383	60
TOTAL GAS PLANT IN SERVICE	384,199,490	368,532,182	360,173,599	341,136,687	319,533,699	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	-	-	-	-	-	63
CONSTRUCTION WORK IN PROGRESS	13,568,023	11,004,542	8,738,168	12,373,006	14,829,308	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	397,767,512	379,536,724	368,911,767	353,509,693	334,363,007	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	112,965,804	105,720,544	99,123,215	93,054,159	87,615,653	67
NET GAS UTILITY PLANT	$ 284,801,708	$ 273,816,180	$ 269,788,552	$ 260,455,534	$ 246,747,354	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 368,532,182	$ 360,173,599	$ 341,136,687	$ 319,533,702	$ 296,603,675	69
ADDITIONS	16,941,760	10,007,082	20,978,525	23,393,241	24,020,649	70
RETIREMENTS	1,274,452	1,655,729	2,086,829	1,665,040	952,048	71
TRANSFERS AND ADJUSTMENTS	-	7,230	125,216	125,216-	138,577-	72
PLANT IN SERVICE END OF YEAR	$ 384,199,489	$ 368,532,182	$ 360,173,599	$ 341,136,687	$ 319,533,699	73

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

LONG ISLAND LIGHTING COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 438,420,039	$ 483,835,248	$ 447,198,635	$ 389,684,297	$ 327,070,018
2	SALES (MCF)	67,312,425	76,175,241	68,701,749	68,073,984	63,934,888
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 282,086,599	$ 314,170,274	$ 303,098,235	$ 255,582,945	$ 208,543,853
4	WAGES AND BENEFITS	21,848,357	38,360,470	38,000,989	36,408,880	32,721,596
5	OTHER OPERATION AND MAINTENANCE EXPENSES	17,705,254	33,679,883	20,454,304	18,589,718	18,585,930
6	DEPRECIATION AND AMORTIZATION EXPENSES	8,231,531	8,010,505	8,235,802	7,912,905	7,474,415
7	INCOME TAXES - OPERATING	20,845,785	14,996,142	9,064,758	9,933,257	6,095,481
8	OTHER TAXES - OPERATING	46,678,329	42,163,952	39,362,375	34,144,039	31,443,991
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS**	13,886,619	14,975,568	13,351,644	12,035,841	11,362,700
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS***	3,183,084	3,654,686	4,542,992	3,250,386	3,047,539
11	EARNINGS AVAILABLE FOR COMMON EQUITY	24,154,481	13,823,768	11,087,536	11,848,326	7,794,514
12	TOTAL	$ 438,420,039	$ 483,835,248	$ 447,198,635	$ 389,684,297	$ 327,070,018
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	64.3	64.9	67.8	65.6	63.8
14	WAGES AND BENEFITS	5.0	7.9	8.5	9.3	10.0
15	OTHER OPERATION AND MAINTENANCE EXPENSES	4.0	7.0	4.6	4.8	5.7
16	DEPRECIATION AND AMORTIZATION EXPENSES	1.9	1.7	1.8	2.0	2.3
17	INCOME TAXES - OPERATING	4.7	3.1	2.0	2.5	1.9
18	OTHER TAXES - OPERATING	10.6	8.7	8.8	8.8	9.6
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS**	3.2	3.1	3.0	3.1	3.5
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS***	0.7	0.8	1.0	0.8	0.9
21	EARNINGS AVAILABLE FOR COMMON EQUITY	5.5	2.9	2.5	3.0	2.4
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 4.19	$ 4.12	$ 4.41	$ 3.75	$ 3.26
24	WAGES AND BENEFITS	0.32	0.50	0.55	0.53	0.51
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.26	0.44	0.30	0.27	0.29
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.12	0.11	0.12	0.12	0.12
27	INCOME TAXES - OPERATING	0.31	0.20	0.13	0.15	0.10
28	OTHER TAXES - OPERATING	0.69	0.55	0.57	0.50	0.49
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS**	0.21	0.20	0.19	0.18	0.18
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS***	0.05	0.05	0.07	0.05	0.05
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.36	0.18	0.16	0.17	0.12
32	TOTAL	$ 6.51	$ 6.35	$ 6.51	$ 5.72	$ 5.12
33	*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	3.93	4.26	4.79	5.42	5.18

**LONG ISLAND LIGHTING COMPANY INCLUDES INTEREST ON TRUST OBLIGATIONS

***CALCULATION ASSUMES LONG ISLAND LIGHTING COMPANY'S PREFERRED DIVIDENDS ARE ACCRUED

GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 578,645,541	$ 534,207,351	$ 499,989,956	$ 471,275,724	$ 446,936,152
2	ACCUM. PROVISION FOR DEPR. AND AMORT	125,260,770	115,971,128	107,359,590	101,745,589	95,667,893
3	NET GAS UTILITY PLANT	451,384,771	418,236,223	392,630,366	369,530,135	351,268,259
4	OTHER UTILITY PLANT	-	-	-	-	-
5	ACCUM. PROVISION FOR DEPR. AND AMORT	-	-	-	-	-
6	NET OTHER UTILITY PLANT	-	-	-	-	-
7	TOTAL UTILITY PLANT	578,645,541	534,207,351	499,989,956	471,275,724	446,936,152
8	ACCUM. PROVISION FOR DEPR. AND AMORT	125,260,770	115,971,128	107,359,590	101,745,589	95,667,893
9	NET TOTAL UTILITY PLANT	451,384,771	418,236,223	392,630,366	369,530,135	351,268,259
10	NONUTILITY PROPERTY LESS ACCUM. PROV FOR DEPRECIATION AND AMORTIZATION	83,225	83,225	83,225	79,741	67,441
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	-	-	-	-	-
13	OTHER INVESTMENTS	368,626	369,727	374,266	239,391	266,159
14	SPECIAL FUNDS	-	-	-	205,870	255,963
15	TOTAL OTHER PROPERTY AND INVESTMENTS	451,851	452,952	457,491	525,002	589,563
16	CASH	10,240,372	6,893,957	5,196,629	4,985,693	7,061,925
17	SPECIAL DEPOSITS	3,034,569	2,812,463	2,555,773	2,341,919	2,098,453
18	WORKING FUNDS	466,934	415,890	358,283	356,008	319,495
19	TEMPORARY CASH INVESTMENTS	-	380,549	-	-	10,000,000
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	73,543,416	73,505,487	82,472,216	82,343,991	79,927,066
21	RECEIVABLES FROM ASSOCIATED COMPANIES	927,474	645,931	1,017,672	295,462	459,625
22	MATERIALS AND SUPPLIES	8,087,526	9,045,993	10,521,232	11,112,753	12,277,680
23	GAS STORED UNDERGROUND-CURRENT	-	-	-	-	-
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	7,018,171	7,014,424	6,559,548	6,723,617	6,914,268
26	OTHER CURRENT AND ACCRUED ASSETS	120,307	168,027	995,855	716,020	280,206
27	TOTAL CURRENT AND ACCRUED ASSETS	103,438,769	100,882,721	109,677,208	108,755,483	119,318,718
28	UNAMORTIZED DEBT EXPENSE	-	-	-	-	-
29	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
30	PREL. SURVEY + INVESTIGATION CHARGES	35,692	6,208	-	-	-
31	CLEARING ACCOUNTS	186,265	9,967-	48,644-	51,762-	1,535,040
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	158,218	168,480	170,770	-	-
34	ACCUMULATED DEFERRED INCOME TAXES	171,994-	105,604-	70,255-	12,727-	23
35	OTHER DEFERRED DEBITS	50,345,351	21,090,573	64,880,099	71,984,362	20,388,891
36	TOTAL DEFERRED DEBITS	50,553,532	21,149,690	64,931,970	71,919,873	21,923,954
37	TOTAL ASSETS AND OTHER DEBITS	$ 605,828,923	$ 540,721,586	$ 567,697,035	$ 550,730,493	$ 493,100,494
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 59,170,600	$ 59,170,600	$ 59,170,600	$ 59,170,600	$ 59,170,600
39	PREFERRED STOCK ISSUED	-	-	-	-	-
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	68,500	68,500	68,500	68,500	68,500
43	OTHER PAID-IN CAPITAL	4,107,184	4,107,184	4,107,184	4,107,184	4,107,184
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	-	-	-	-	-
46	RETAINED EARNINGS	117,891,651	113,607,327	101,846,981	92,751,084	88,257,243
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-
48	REACQUIRED CAPITAL STOCK	-	-	-	-	-
49	TOTAL PROPRIETARY CAPITAL	181,237,935	176,953,611	165,193,265	156,097,368	151,603,527
50	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-
51	ADVANCES FROM ASSOCIATED COMPANIES	143,900,700	151,323,300	176,704,100	142,799,500	148,394,900
52	OTHER LONG-TERM DEBT	685,968	700,000	-	-	-
53	NET UNAMORTIZED PREMIUM + DISCOUNT	-	-	-	-	-
54	TOTAL LONG TERM DEBT	144,586,668	152,023,300	176,704,100	142,799,500	148,394,900
55	NOTES PAYABLE	-	-	-	-	-
56	ACCOUNTS PAYABLE	4,518,372	4,990,548	7,205,656	6,333,710	6,643,098
57	PAYABLES TO ASSOCIATED COMPANIES	180,540,697	111,314,926	119,772,597	174,268,457	93,039,825
58	CUSTOMER DEPOSITS	2,637,298	2,383,305	2,153,808	1,757,998	1,404,082
59	TAXES ACCRUED	15,605,087-	9,360,813-	9,849,025-	18,492,859-	837,345-
60	INTEREST ACCRUED	113,883	103,578	100,107	88,363	81,220
61	DIVIDENDS DECLARED	4,662,500	3,531,000	2,715,000	2,525,000	2,560,000
62	TAX COLLECTIONS PAYABLE	3,608,342	2,963,696	3,270,795	2,805,070	3,664,854
63	OTHER CURRENT AND ACCRUED LIABILITIES	30,368,737	48,163,273	40,427,058	33,937,084	54,910,251
64	TOTAL CURRENT AND ACCRUED LIABILITIES	210,844,762	164,029,513	165,795,996	203,222,823	161,465,385
65	CUSTOMER ADVANCES FOR CONSTRUCTION	523,125	493,732	483,662	463,742	473,799
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	19,748,226	16,856,241	14,754,042	12,528,809	10,264,557
68	OTHER DEFERRED CREDITS	2,816,987	2,582,868	2,403,024	2,314,231	2,090,160
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	-	-	-	-	-
70	LIBERALIZED DEPRECIATION	25,146,983	20,206,504	15,876,893	12,485,539	10,124,614
71	OTHER	20,912,540	7,682,840	26,504,528	20,778,800	8,629,702
72	TOTAL DEFERRED CREDITS	69,147,861	47,821,185	60,022,149	48,571,121	31,582,832
73	PROPERTY INSURANCE RESERVE	-	-	-	-	-
74	INJURIES AND DAMAGE RESERVES	11,697	168,023-	18,475-	39,681	53,850
75	PENSION AND BENEFITS RESERVE	-	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	11,697	168,023-	18,475-	39,681	53,850
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 605,828,923	$ 540,721,586	$ 567,697,035	$ 550,730,493	$ 493,100,494

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 873,526,109	$ 947,231,883	$ 973,860,193	$ 928,256,807	$ 848,988,314	1
OPERATION AND MAINTENANCE EXPENSE	746,235,059	814,051,381	856,508,212	823,479,502	752,115,578	2
DEPRECIATION EXPENSE	14,579,555	13,369,710	12,294,842	11,245,280	10,722,827	3
AMORTIZATION	301,222	531,333	511,771	1,015,898	821,033	4
TAXES OTHER THAN INCOME TAXES	60,046,612	63,004,767	61,640,516	57,094,859	51,615,079	5
INCOME TAXES	7,705,511-	27,740,459	4,037,755-	11,661,628-	9,362,288	6
PROVISION FOR DEFERRED INCOME TAXES	19,321,378	13,223,086-	10,424,432	25,877,204	5,859,754-	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	1,083,769-	1,234,663-	1,040,737-	11,075,652-	2,025,363-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	209,085-	278,779-	278,779-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	831,694,547	904,239,904	936,092,195	895,696,684	816,472,909	12
NET OPERATING REVENUES	41,831,562	42,991,979	37,767,998	32,560,123	32,515,405	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	41,831,562	42,991,979	37,767,998	32,560,123	32,515,405	15
OTHER UTILITY OPERATING INCOME	-	-	-	-	-	16
TOTAL UTILITY OPERATING INCOME	41,831,562	42,991,979	37,767,998	32,560,123	32,515,405	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	26,126-	52,001-	32,565-	126,057-	202,740-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	9,220	6,000	6,256	900	-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	-	-	-	-	-	21
INTEREST AND DIVIDEND INCOME	382,238	2,609,312	1,924,406	1,521,819	2,238,256	22
ALLOWANCE FOR CONSTRUCTION FUNDS	567,621	395,702	490,693	582,863	321,211	23
MISCELLANEOUS NONOPERATING INCOME	-	-	902,891	-	-	24
GAIN ON DISPOSITION OF PROPERTY	-	15,719	14,990	115	7,304	25
TOTAL OTHER INCOME	912,953	2,974,732	3,306,671	1,979,640	2,364,031	26
TOTAL INCOME	42,744,515	45,966,711	41,074,669	34,539,763	34,879,436	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	28,760	99,822	44,558	48,560	81,310	28
INCOME TAXES-NONOPERATING	792,185-	323,068	522,342	22,107	67,736-	29
LOSS ON DISPOSITION OF PROPERTY	-	5,258	8,287	3,229	2,356	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	988,497	399,386	281,580	281,088	591,396	32
TOTAL INCOME DEDUCTIONS	225,072	827,534	856,767	354,984	607,326	33
INCOME BEFORE INTEREST CHARGES	42,519,443	45,139,177	40,217,902	34,184,779	34,272,110	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	-	-	-	-	-	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	-	-	-	-	-	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	18,356,228	16,663,071	17,793,987	15,947,261	16,312,630	38
OTHER INTEREST EXPENSE	3,491,891	3,952,259	3,038,019	3,753,676	2,022,358	39
TOTAL INTEREST CHARGES	21,848,119	20,615,330	20,832,006	19,700,937	18,334,988	40
INCOME BEFORE EXTRAORDINARY ITEMS	20,671,324	24,523,847	19,385,896	14,483,842	15,937,122	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 20,671,324	$ 24,523,847	$ 19,385,896	$ 14,483,842	$ 15,937,122	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 113,607,327	$ 101,846,980	$ 92,751,085	$ 88,257,243	$ 82,480,121	47
BALANCE TRANSFERRED FROM INCOME	20,671,324	24,523,847	19,385,896	14,483,841	15,937,122	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	50
-COMMON STOCK	16,387,000	12,763,500	10,290,000	9,990,000	10,160,000	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	117,891,651	113,607,327	101,846,981	92,751,084	88,257,243	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 117,891,651	$ 113,607,327	$ 101,846,981	$ 92,751,084	$ 88,257,243	56
SELECTED BALANCE SHEET RELATIONSHIPS						
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	0.64	0.55	0.50	0.49	0.51	57
OTHER UTILITY PLT./DOLLAR OF OTHER REVENUE	-	-	-	-	-	58
TOTAL UTILITY PLT./DOLLAR OF TOTAL REVENUE	0.64	0.55	0.50	0.49	0.51	59
CURRENT ASSETS / BY CURRENT LIABILITIES	0.49	0.61	0.66	0.54	0.74	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	44.3	46.2	51.6	47.7	49.4	61
PREFERRED STOCK	-	-	-	-	-	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	19.4	19.2	18.5	21.1	21.1	63
RETAINED EARNINGS	36.1	34.5	29.7	31.0	29.4	64
LONG-TERM DEBT % OF GROSS UTILITY PLANT	25.0	28.4	35.3	30.3	33.2	65
% OF NET UTILITY PLANT	32.0	36.3	45.0	38.6	42.2	66
ACCUM PROVISION FOR DEPR. % OF UTILITY PLT	21.7	21.7	21.4	21.5	21.4	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES % OF TOTAL OPERATING REVENUES	100.0	100.0	100.0	100.0	100.0	68
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	85.4	85.9	87.9	88.7	88.5	69
GAS DEPRECIATION AND AMORTIZATION	1.7	1.4	1.3	1.3	1.3	70
TOTAL INCOME TAXES-GAS, OPERATING	1.2	1.4	0.5	0.3	0.1	71
OTHER TAXES-GAS, OPERATING	6.8	6.6	6.3	6.1	6.0	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL GAS OPERATING EXPENSE	95.2	95.4	96.1	96.4	96.1	74
GAS OPERATING INCOME	4.7	4.5	3.8	3.5	3.8	75
GAS DEPR. AND AMORT. % OF GAS UTILITY PLT	2.5	2.6	2.5	2.6	2.5	76
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	2.5	2.2	2.1	2.1	2.2	77
PRETAX INTEREST COVERAGE	2.4	2.8	2.2	1.9	1.9	78
NET INCOME-PERCENT OF OPERATING REVENUES	2.3	2.5	1.9	1.5	1.8	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	80
TIMES EARNED	-	-	-	-	-	81
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	1.8	1.3	1.0	1.0	1.1	82
% OF EARNINGS AVAILABLE FOR COMMON	79.2	52.0	53.0	68.9	63.7	83
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	11.5	14.3	12.0	9.4	10.7	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	9.1	7.4	6.4	6.4	6.8	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

LINE NO.		1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 20,671,324	$ 24,523,847	$ 19,385,896	$ 14,483,842	$ 15,937,122
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	14,880,777	13,901,043	12,857,678	12,303,108	11,587,140
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	21,520,074	11,917,590-	11,698,111	17,238,226	6,000,407-
4	INTEREST CAPITALIZED	567,621-	395,702-	490,693-	582,863-	321,211-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	56,504,554	26,111,598	43,450,992	43,443,313	21,202,644
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	56,504,554	26,111,598	43,450,992	43,443,313	21,202,644
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	16,387,000	12,763,500	10,290,000	9,990,000	10,160,000
12	NET FUNDS FROM INTERNAL SOURCES	40,117,554	13,348,098	33,160,992	33,453,313	11,042,644
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	-	700,000	50,000,000	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	61,200,000	12,100,000	-	70,500,000	-
17	OTHER (NET):	-	43,355,897	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	61,200,000	56,155,897	50,000,000	70,500,000	-
20	OTHER SOURCES (NET):	-	-	32,214,515	-	40,274,121
21						
22						
23	TOTAL FUNDS PROVIDED	$ 101,317,554	$ 69,503,995	$ 115,375,507	$ 103,953,313	$ 51,316,765
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	GAS PLANT	$ 48,029,325	$ 39,506,899	$ 34,667,316	$ 29,592,841	$ 28,342,576
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	-	-	3,484	-	-
27	OTHER	-	-	-	-	-
28	TOTAL GROSS ADDITIONS	48,029,325	39,506,899	34,670,800	29,592,841	28,342,576
29	LESS INTEREST CAPITALIZED	567,621	395,702	490,693	582,863	321,211
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	47,461,704	39,111,197	34,180,107	29,009,978	28,021,365
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	7,436,632	25,380,800	16,095,400	5,595,400	6,225,200
32	PREFERRED STOCK	-	-	-	-	-
33	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	-	65,100,000	-	17,070,200
35	OTHER (NET)	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	7,436,632	25,380,800	81,195,400	5,595,400	23,295,400
38	OTHER USES (NET)	46,419,218	5,011,998	-	69,347,935	-
39						
40						
41	TOTAL FUNDS APPLIED	$ 101,317,554	$ 69,503,995	$ 115,375,507	$ 103,953,313	$ 51,316,765

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
	GAS OPERATING REVENUES					
REVENUES						
RESIDENTIAL	$ 524,894,973	$ 565,633,329	$ 551,772,203	$ 505,736,111	$ 437,800,439	1
COMMERCIAL AND INDUSTRIAL	338,723,913	371,777,899	415,229,447	418,182,855	401,162,538	2
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	3
INTERDEPARTMENTAL	-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	863,618,886	937,411,228	967,001,650	923,918,966	838,962,977	5
RESALE	-	54,833	198,992-	380,647	6,210,515	6
TOTAL REVENUES FROM SALES OF GAS	863,618,886	937,466,061	966,802,658	924,299,613	845,173,492	7
OTHER GAS OPERATING REVENUES	9,907,223	9,765,822	7,057,535	3,957,194	3,814,822	8
TOTAL GAS OPERATING REVENUES	$ 873,526,109	$ 947,231,883	$ 973,860,193	$ 928,256,807	$ 848,988,314	9
GAS SALES (MCF)						
RESIDENTIAL	83,210,656	88,628,403	82,591,818	92,991,111	98,846,876	10
COMMERCIAL AND INDUSTRIAL	62,190,538	67,372,860	70,252,821	85,292,691	100,536,306	11
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	12
INTERDEPARTMENTAL	-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS	145,401,194	156,001,263	152,844,639	178,283,802	199,383,182	14
RESALE	-	-	1,419	241,242	1,761,496	15
TOTAL GAS SALES	145,401,194	156,001,263	152,846,058	178,525,044	201,144,678	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	648,840	646,304	641,739	642,880	642,900	17
COMMERCIAL AND INDUSTRIAL	41,106	40,388	39,899	40,069	39,297	18
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	689,946	686,692	681,638	682,949	682,197	21
RESALE	-	-	1	2	3	22
TOTAL CUSTOMERS	689,946	686,692	681,639	682,951	682,200	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 808.97	$ 875.18	$ 859.81	$ 786.67	$ 680.98	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	128	137	129	145	154	25
AVERAGE REVENUE PER MCF SOLD	$ 6.31	$ 6.38	$ 6.68	$ 5.44	$ 4.43	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 8,240.25	$ 9,205.18	$ 10,407.01	$ 10,436.57	$ 10,208.48	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	1,513	1,668	1,761	2,129	2,558	28
AVERAGE REVENUE PER MCF SOLD	$ 5.45	$ 5.52	$ 5.91	$ 4.90	$ 3.99	29
	GAS OPERATION AND MAINTENANCE EXPENSES					
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	-	-	-	-	-	31
NATURAL GAS						
PRODUCTION AND GATHERING	714,111	663,530	402,660	580,169	830,631	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	627,619,050	693,918,008	742,165,657	707,499,304	644,463,310	35
OTHER	521,262	381,760	461,952	456,392	209,564	36
TOTAL PRODUCTION EXPENSE	628,854,423	694,963,298	743,030,269	708,535,865	645,503,505	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	-	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-	40
TRANSMISSION EXPENSES	782,926	758,318	683,772	621,262	719,826	41
DISTRIBUTION EXPENSES	43,581,497	43,045,915	39,764,169	44,174,095	42,224,824	42
CUSTOMER ACCOUNTS EXPENSES	32,577,347	30,925,525	33,455,619	31,382,538	27,286,041	43
SALES EXPENSES	6,027,184	5,452,613	3,691,636	3,650,436	3,445,620	44
ADMINISTRATIVE AND GENERAL EXPENSES	34,411,682	38,905,692	35,882,747	35,115,306	32,935,762	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 746,235,059	$ 814,051,361	$ 856,508,212	$ 823,479,502	$ 752,115,578	46
	GAS UTILITY PLANT					
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 318,881	$ 318,881	$ 318,881	$ 318,881	$ 318,881	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	-	-	-	-	-	50
NATURAL GAS PLANT	18,160,965	18,354,318	18,946,143	19,530,523	20,556,503	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	-	-	-	-	-	54
TRANSMISSION PLANT	25,735,258	24,276,631	25,878,506	26,382,390	29,284,270	55
DISTRIBUTION PLANT	495,294,718	459,359,038	423,680,651	396,065,847	369,830,841	56
GENERAL PLANT	31,646,323	26,534,706	24,066,408	23,282,402	21,538,024	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	571,156,145	528,843,572	492,890,589	465,580,043	441,528,519	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	-	-	-	-	-	63
CONSTRUCTION WORK IN PROGRESS	5,489,396	5,363,779	7,099,367	5,695,681	5,407,633	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	576,645,541	534,207,351	499,989,956	471,275,724	446,936,152	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	125,260,770	115,971,128	107,359,590	101,745,589	95,667,893	67
NET GAS UTILITY PLANT	$ 451,384,771	$ 418,236,223	$ 392,630,366	$ 369,530,135	$ 351,268,259	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 528,843,572	$ 492,890,589	$ 465,580,043	$ 441,528,519	$ 407,150,016	69
ADDITIONS	41,681,237	35,895,607	29,872,871	28,058,283	39,007,656	70
RETIREMENTS	3,688,431	4,606,409	5,934,040	5,218,558	4,608,952	71
TRANSFERS AND ADJUSTMENTS	4,319,767	4,663,785	3,371,715	1,211,799	20,201-	72
PLANT IN SERVICE END OF YEAR	$ 571,156,145	$ 528,843,572	$ 492,890,589	$ 465,580,043	441,528,519	73

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 873,526,109	$ 947,231,883	$ 973,880,193	$ 928,256,807	$ 848,988,314
2	SALES (MCF)	145,401,194	156,001,253	152,846,058	178,525,044	201,144,678
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 628,140,312	$ 694,299,768	$ 742,627,609	$ 707,955,696	$ 644,672,874
4	WAGES AND BENEFITS	10,108,592	79,441,563	73,554,703	73,714,822	67,961,740
5	OTHER OPERATION AND MAINTENANCE EXPENSES	107,986,155	40,310,030	40,325,900	41,808,984	39,480,964
6	DEPRECIATION AND AMORTIZATION EXPENSES	14,880,777	13,901,043	12,806,613	12,281,178	11,543,880
7	INCOME TAXES - OPERATING	10,532,099	13,282,732	5,136,854	2,861,144	1,198,392
8	OTHER TAXES - OPERATING	60,046,612	63,004,767	61,640,516	57,094,869	51,615,079
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	21,567,330	20,397,881	20,615,993	19,372,838	18,176,162
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	20,264,232	22,594,098	17,152,005	13,187,286	14,339,243
12	TOTAL	$ 873,526,109	$ 947,231,883	$ 973,880,193	$ 928,256,807	$ 848,988,314
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	71.9	73.3	76.3	76.3	75.9
14	WAGES AND BENEFITS	1.2	8.4	7.6	7.9	8.0
15	OTHER OPERATION AND MAINTENANCE EXPENSES	12.4	4.3	4.1	4.5	4.7
16	DEPRECIATION AND AMORTIZATION EXPENSES	1.7	1.5	1.3	1.3	1.4
17	INCOME TAXES - OPERATING	1.2	1.4	0.5	0.3	0.1
18	OTHER TAXES - OPERATING	6.9	6.7	6.3	6.2	6.1
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	2.5	2.2	2.1	2.1	2.1
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	2.3	2.4	1.8	1.4	1.7
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 4.32	$ 4.45	$ 4.86	$ 3.97	$ 3.21
24	WAGES AND BENEFITS	0.07	0.51	0.48	0.41	0.34
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.74	0.26	0.26	0.23	0.20
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.10	0.09	0.08	0.07	0.06
27	INCOME TAXES - OPERATING	0.07	0.09	0.03	0.02	0.01
28	OTHER TAXES - OPERATING	0.41	0.40	0.40	0.32	0.26
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.15	0.13	0.13	0.11	0.09
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.14	0.14	0.11	0.07	0.07
32	TOTAL	$ 6.01	$ 6.07	$ 6.37	$ 5.20	$ 4.22

*THIS IS A STRAIGHT GAS COMPANY, THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY

GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

NEW YORK STATE ELECTRIC & GAS CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 154,674,906	$ 147,119,521	$ 142,072,202	$ 137,788,503	$ 133,156,086
2	ACCUM. PROVISION FOR DEPR. AND AMORT	51,157,411	48,081,728	44,772,775	41,785,242	38,952,667
3	NET GAS UTILITY PLANT	103,517,495	99,037,793	97,299,427	96,003,261	94,203,419
4	OTHER UTILITY PLANT	3,997,970,855	3,723,689,560	3,299,514,887	2,795,459,668	2,258,555,873
5	ACCUM. PROVISION FOR DEPR. AND AMORT	637,128,236	569,826,542	518,345,283	484,685,691	451,626,167
6	NET OTHER UTILITY PLANT	3,360,842,619	3,153,863,018	2,781,169,604	2,310,773,977	1,806,929,706
7	TOTAL UTILITY PLANT	4,152,645,761	3,870,809,081	3,441,587,089	2,933,248,171	2,391,711,959
8	ACCUM. PROVISION FOR DEPR. AND AMORT.	688,285,647	617,908,270	563,118,058	526,470,933	490,578,834
9	NET TOTAL UTILITY PLANT	3,464,360,114	3,252,900,811	2,878,469,031	2,406,777,238	1,901,133,125
10	NONUTILITY PROPERTY LESS ACCUM. PROV FOR DEPRECIATION AND AMORTIZATION	3,111,861	3,122,221	3,531,070	3,508,710	3,269,927
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	212,000	212,000	212,000	212,000	200,000
13	OTHER INVESTMENTS	7,790,000	13,890,000	14,140,000	15,590,000	16,590,000
14	SPECIAL FUNDS	264,502	272,814	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	11,378,363	17,497,035	17,883,070	19,310,710	20,059,927
16	CASH	5,999,167-	6,892,778-	4,165,394	5,513,576	6,178,652
17	SPECIAL DEPOSITS	13,598,507	70,192,118	10,245,664	32,721,930	6,196,345
18	WORKING FUNDS	5,020,153	809,342	1,841,077	2,099,797	1,031,656
19	TEMPORARY CASH INVESTMENTS	8,500,000	10,300,000	-	-	-
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	116,240,072	114,568,322	93,697,382	89,099,941	80,165,954
21	RECEIVABLES FROM ASSOCIATED COMPANIES	110,788	71,872	63,817	-	-
22	MATERIALS AND SUPPLIES	95,768,725	96,758,149	66,904,705	64,019,122	57,068,926
23	GAS STORED UNDERGROUND-CURRENT	826,120	889,970	609,106	1,042,187	595,899
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	20,189,968	20,033,847	17,080,955	13,004,185	12,079,297
26	OTHER CURRENT AND ACCRUED ASSETS	293,128	2,034,545	234,915	1,805,253	248,742
27	TOTAL CURRENT AND ACCRUED ASSETS	254,548,294	310,796,387	194,843,015	209,305,991	163,565,471
28	UNAMORTIZED DEBT EXPENSE	60,525,660	26,012,922	22,748,892	12,792,298	7,915,862
29	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
30	PREL. SURVEY + INVESTIGATION CHARGES	1,324,488	2,267,221	2,970,728	3,187,773	2,926,646
31	CLEARING ACCOUNTS	38,245-	505,507-	799,609	29,250	317,155
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	183,890-	27,383	383,833-	531,444-	9,441-
34	ACCUMULATED DEFERRED INCOME TAXES	15,200,987	22,066,677	10,082,080	12,790,385	6,092,109
35	OTHER DEFERRED DEBITS	109,255,294	40,886,294	15,302,676	38,698,200	26,296,782
36	TOTAL DEFERRED DEBITS	186,084,282	90,756,000	51,520,130	66,966,462	43,539,113
37	TOTAL ASSETS AND OTHER DEBITS	$ 3,916,371,023	$ 3,671,948,233	$ 3,142,715,246	$ 2,702,380,401	$ 2,128,297,637
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 360,046,582	$ 347,182,736	$ 323,344,778	$ 264,592,389	$ 217,498,385
39	PREFERRED STOCK ISSUED	252,620,000	277,300,000	278,950,000	236,075,000	248,812,500
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	480,349,216	447,719,373	406,471,566	283,850,783	211,759,204
43	OTHER PAID-IN CAPITAL	29,346,985	29,469,981	29,480,279	29,409,747	29,482,342
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	8,173,925-	8,283,296-	8,165,963-	6,722,744-	6,495,197-
46	RETAINED EARNINGS	469,661,779	418,472,383	352,524,176	317,464,842	270,464,490
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-
48	REACQUIRED CAPITAL STOCK	-	-	-	-	-
49	TOTAL PROPRIETARY CAPITAL	1,583,850,637	1,511,861,177	1,382,604,836	1,124,669,997	971,521,724
50	BONDS (LESS BONDS REACQUIRED)	1,274,480,000	1,236,134,000	1,060,940,000	955,061,000	844,147,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	481,741,631	404,902,154	222,125,000	126,575,000	18,575,000
53	NET UNAMORTIZED PREMIUM + DISCOUNT	1,615,196-	1,952,077-	983,744-	497,454-	676,263
54	TOTAL LONG TERM DEBT	1,754,606,435	1,639,084,077	1,282,081,256	1,081,138,546	863,398,263
55	NOTES PAYABLE	118,300,000	60,100,000	97,750,000	96,650,000	36,000,000
56	ACCOUNTS PAYABLE	75,651,462	104,286,625	131,925,074	152,053,763	77,550,279
57	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
58	CUSTOMER DEPOSITS	3,339,953	2,846,878	2,488,420	2,346,593	2,300,039
59	TAXES ACCRUED	5,045,133	9,655,768	6,051,963	12,045,918	16,570,019
60	INTEREST ACCRUED	51,949,517	53,418,781	34,989,042	32,550,646	20,960,434
61	DIVIDENDS DECLARED	6,090,191	6,816,190	6,752,066	5,528,909	4,895,768
62	TAX COLLECTIONS PAYABLE	1,909,114	2,669,602	2,200,247	1,951,073	2,005,479
63	OTHER CURRENT AND ACCRUED LIABILITIES	43,357,953	40,811,318	35,126,449	41,111,680	40,821,036
64	TOTAL CURRENT AND ACCRUED LIABILITIES	305,643,323	280,605,160	317,283,251	344,238,682	201,103,054
65	CUSTOMER ADVANCES FOR CONSTRUCTION	5,169,600	4,444,024	1,097,231	1,030,956	815,636
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	75,438,080	73,711,247	51,023,498	42,180,793	33,695,051
68	OTHER DEFERRED CREDITS	16,250,546	34,931,067	12,698,774	14,359,175	4,234,812
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	2,129,858	2,662,417	3,264,821	3,988,751	4,619,901
70	LIBERALIZED DEPRECIATION	112,908,540	71,494,811	43,527,821	31,001,247	20,468,183
71	OTHER	60,174,024	52,954,253	48,933,759	49,551,254	31,041,013
72	TOTAL DEFERRED CREDITS	272,070,628	240,197,819	160,545,904	142,113,178	95,074,596
73	PROPERTY INSURANCE RESERVE	-	-	-	-	-
74	INJURIES AND DAMAGE RESERVES	200,000	200,000	200,000	200,000	200,000
75	PENSION AND BENEFITS RESERVE	-	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	200,000	200,000	200,000	200,000	200,000
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,916,371,023	$ 3,671,948,233	$ 3,142,715,246	$ 2,702,380,401	$ 2,128,297,637

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

NEW YORK STATE ELECTRIC & GAS CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 190,201,164	$ 207,817,466	$ 207,865,521	$ 184,997,414	$ 158,361,433	1
OPERATION AND MAINTENANCE EXPENSE	155,757,588	171,087,786	183,649,621	155,483,338	131,981,810	2
DEPRECIATION EXPENSE	3,815,563	4,114,668	3,943,557	3,619,176	3,609,952	3
AMORTIZATION	108,564	159,719	179,462	339,799	183,979	4
TAXES OTHER THAN INCOME TAXES	15,608,273	16,298,353	15,483,526	13,961,798	12,161,188	5
INCOME TAXES	66,918	311,932-	842,109	384,461	993,294	6
PROVISION FOR DEFERRED INCOME TAXES	1,739,634	238,236-	1,445,938-	4,893,250	1,835,082	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	1,215,437	1,080,959-	814,843-	1,805,000-	676,088-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	178,308,008	190,016,399	202,037,494	176,876,822	150,089,237	12
NET OPERATING REVENUES	11,893,156	17,801,067	5,828,027	8,120,592	8,272,196	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	11,893,156	17,801,067	5,828,027	8,120,592	8,272,196	15
OTHER UTILITY OPERATING INCOME	235,107,103	212,856,468	168,117,786	168,380,179	136,358,914	16
TOTAL UTILITY OPERATING INCOME	247,000,259	230,657,535	173,945,813	176,500,771	144,631,110	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	20,351-	35,980-	20,040-	56,844-	27,001-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO S	-	-	-	-	-	21
INTEREST AND DIVIDEND INCOME	662,603	2,827,000	2,097,082	8,277,873	359,088	22
ALLOWANCE FOR CONSTRUCTION FUNDS	122,719,138	104,263,980	91,641,259	54,465,618	32,719,491	23
MISCELLANEOUS NONOPERATING INCOME	731,889-	22,408,631	426,638-	4,458,757	2,329	24
GAIN ON DISPOSITION OF PROPERTY	105,201	19,509	17,168	14,951	10,408-	25
TOTAL OTHER INCOME	122,724,702	129,483,140	93,308,831	67,160,355	33,043,497	26
TOTAL INCOME	369,724,961	360,140,675	267,254,644	243,661,126	177,674,607	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	130,728	132,812	130,391	118,284	95,951	28
INCOME TAXES-NONOPERATING	25,596,203-	33,249,000-	26,886,000-	11,446,000-	9,470,601-	29
LOSS ON DISPOSITION OF PROPERTY	73,717	15,509	25,131	-	7,285-	30
MISCELLANEOUS AMORTIZATION	1,541	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	165,762-	11,494,586	749,039	628,311	495,179	32
TOTAL INCOME DEDUCTIONS	25,555,979-	21,606,093-	25,981,439-	10,699,405-	8,886,736-	33
INCOME BEFORE INTEREST CHARGES	395,280,940	381,746,768	293,216,083	254,360,531	186,561,343	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	174,584,406	158,720,760	129,651,585	101,959,842	68,773,205	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	2,811,468	2,816,707	1,983,164	1,350,797	610,573	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	61,598-	68,375-	76,331-	76,381-	70,851-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	9,513,509	8,901,582	4,977,605	6,031,211	9,447,242	39
TOTAL INTEREST CHARGES	186,847,775	170,370,674	136,536,023	109,266,469	78,760,169	40
INCOME BEFORE EXTRAORDINARY ITEMS	208,433,165	211,376,094	156,680,060	145,095,062	107,801,174	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 208,433,165	$ 211,376,094	$ 156,680,060	$ 145,095,062	$ 107,801,174	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 418,472,383	$ 362,524,178	$ 317,464,842	$ 270,464,490	$ 238,855,649	47
BALANCE TRANSFERRED FROM INCOME	208,433,165	211,376,094	156,680,060	145,095,062	107,801,174	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	25,225,720	27,370,512	23,466,059	22,610,168	17,535,855	50
-COMMON STOCK	132,018,049	118,057,375	98,154,667	75,484,542	58,656,478	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	469,661,779	418,472,383	362,524,178	317,464,842	270,464,490	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 469,661,779	$ 418,472,383	$ 362,524,178	$ 317,464,842	$ 270,464,490	56
SELECTED BALANCE SHEET RELATIONSHIPS						
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	0.79	0.70	0.67	0.73	0.82	57
OTHER UTILITY PLT./DOLLAR OF OTHER REVENUE	3.67	3.61	3.88	3.29	3.15	58
TOTAL UTILITY PLT./DOLLAR OF TOTAL REVENUE	3.23	3.24	3.21	2.79	2.71	59
CURRENT ASSETS / BY CURRENT LIABILITIES	0.83	1.11	0.61	0.61	0.82	60
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	52.5	52.0	48.1	49.2	47.1	61
PREFERRED STOCK	7.5	8.8	10.4	10.6	13.4	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	25.8	25.8	28.1	25.7	24.6	63
RETAINED EARNINGS	14.0	13.2	13.2	14.3	14.7	64
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	42.2	42.3	37.2	37.1	36.0	65
% OF NET UTILITY PLANT	50.6	50.3	44.5	45.3	45.4	66
ACCUM.PROVISION FOR DEPR.: % OF UTILITY PLT	16.5	15.9	16.3	17.9	20.5	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	15.3	18.4	20.9	19.3	19.0	68
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	81.9	82.3	88.3	84.0	83.3	69
GAS DEPRECIATION AND AMORTIZATION	2.0	2.0	1.9	2.1	2.3	70
TOTAL INCOME TAXES-GAS, OPERATING	1.6	0.6-	0.4-	1.8	1.3	71
OTHER TAXES-GAS, OPERATING	8.2	7.8	7.4	7.5	7.6	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL GAS OPERATING EXPENSE	93.7	91.4	97.1	95.6	94.7	74
GAS OPERATING INCOME	6.2	8.5	2.8	4.3	5.2	75
GAS DEPR. AND AMORT. % OF GAS UTILITY PLT	2.5	2.9	2.9	2.8	2.8	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	15.0	15.1	13.7	11.5	9.5	77
PRETAX INTEREST COVERAGE	2.4	2.5	2.4	2.7	2.8	78
NET INCOME-PERCENT OF OPERATING REVENUES	16.7	18.7	15.7	15.2	12.9	79
DIVIDEND APPROPRIATIONS,PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	2.0	2.4	2.3	2.3	2.1	80
TIMES EARNED	8.3	7.7	6.7	6.4	6.1	81
DIVIDEND APPROPRIATIONS,COMMON STOCK:						
PERCENT OF OPERATING REVENUES	10.6	10.4	9.8	7.9	7.0	82
% OF EARNINGS AVAILABLE FOR COMMON	72.0	64.1	73.6	61.6	64.9	83
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	14.2	15.7	13.3	15.2	13.2	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	10.2	10.0	9.8	9.3	8.5	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NEW YORK STATE ELECTRIC & GAS CORPORATION

LINE NO.		1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 208,433,165	$ 211,376,094	$ 156,680,060	$ 145,095,062	$ 107,801,174
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	119,430,354	76,856,339	70,133,001	59,887,950	55,594,043
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	93,070,230	75,762,859	34,525,323	34,431,607	25,196,199
4	INTEREST CAPITALIZED	82,534,289-	104,263,980-	91,641,259-	54,465,618-	32,719,491-
5	OTHER (NET):	-	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	338,399,460	259,731,312	169,697,125	184,949,001	155,871,925
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	338,399,460	259,731,312	169,697,125	184,949,001	155,871,925
10	LESS DIVIDENDS: PREFERRED	25,225,720	27,370,512	23,466,059	22,610,168	17,535,855
11	COMMON	132,018,049	118,057,375	98,154,667	75,484,542	58,656,478
12	NET FUNDS FROM INTERNAL SOURCES	181,155,691	114,303,425	48,076,399	86,854,291	79,679,592
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	408,000,000	374,000,000	164,350,000	338,000,000	160,000,000
14	PREFERRED STOCK	-	-	45,000,000	-	60,000,000
15	COMMON STOCK	45,493,854	65,085,766	181,375,755	119,186,036	50,608,597
16	NET INCREASE IN SHORT TERM DEBT	58,200,000	-	33,750,000	61,650,000	28,200,000
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	511,693,854	439,085,766	424,475,755	518,836,036	298,808,597
20	OTHER SOURCES (NET)	23,085,256	-	4,048,390	34,745,108	39,240,530
21						
22						
23	TOTAL FUNDS PROVIDED	$ 715,934,801	$ 553,389,191	$ 476,600,544	$ 640,435,434	$ 417,728,719
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	GAS PLANT	$ 8,453,214	$ 5,937,222	$ 5,269,574	$ 5,803,870	$ 6,538,955
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	-	-	-	-	-
27	OTHER	329,281,842	440,549,540	523,104,705	553,354,841	291,725,982
28	TOTAL GROSS ADDITIONS	337,735,056	446,486,762	528,374,279	559,158,711	298,264,937
29	LESS INTEREST CAPITALIZED	82,534,289	104,263,980	91,641,259	54,465,618	32,719,491
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	255,200,767	342,222,782	436,733,020	504,693,093	265,545,446
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	300,754,000	25,056,000	5,571,000	107,086,000	132,500,000
32	PREFERRED STOCK	24,680,000	1,650,000	2,125,000	10,737,500	4,737,500
33	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	37,650,000	-	-	-
35	OTHER (NET)	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	325,434,000	64,356,000	7,696,000	117,823,500	137,237,500
38	OTHER USES (NET)	135,300,034	146,810,409	32,171,524	17,918,841	14,945,773
39						
40						
41	TOTAL FUNDS APPLIED	$ 715,934,801	$ 553,389,191	$ 476,600,544	$ 640,435,434	$ 417,728,719

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

NEW YORK STATE ELECTRIC & GAS CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
GAS OPERATING REVENUES						
REVENUES						
RESIDENTIAL	$ 88,676,514	$ 92,287,505	$ 92,973,496	$ 83,167,007	$ 71,398,708	1
COMMERCIAL AND INDUSTRIAL	80,684,256	94,497,188	95,005,650	82,311,824	71,847,585	2
OTHER SALES TO PUBLIC AUTHORITIES	18,610,523	19,840,170	19,257,488	15,835,129	12,701,153	3
INTERDEPARTMENTAL	178,717	197,920	195,215	193,629	151,438	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	188,150,010	206,822,783	207,431,849	181,507,589	156,098,884	5
RESALE	19,822	19,495	14,662	1,746,951	1,284,866	6
TOTAL REVENUES FROM SALES OF GAS	188,169,832	206,842,278	207,446,511	183,254,540	157,383,750	7
OTHER GAS OPERATING REVENUES	2,031,332	975,188	419,010	1,742,874	997,683	8
TOTAL GAS OPERATING REVENUES	$ 190,201,164	$ 207,817,466	$ 207,865,521	$ 184,997,414	$ 158,381,433	9
GAS SALES (MCF)						
RESIDENTIAL	13,310,660	13,766,377	13,508,029	15,284,522	15,978,535	10
COMMERCIAL AND INDUSTRIAL	14,803,937	17,146,104	16,637,999	17,676,042	19,037,532	11
OTHER SALES TO PUBLIC AUTHORITIES	3,418,478	3,558,956	3,342,923	3,435,120	3,388,998	12
INTERDEPARTMENTAL	31,224	33,693	32,587	41,394	38,259	13
TOTAL SALES TO ULTIMATE CONSUMERS	31,564,299	34,505,130	33,521,538	36,437,078	38,443,322	14
RESALE	3,506	3,418	2,547	529,330	453,462	15
TOTAL GAS SALES	31,567,805	34,508,548	33,524,085	36,966,408	38,896,784	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	112,262	111,761	111,558	112,137	112,296	17
COMMERCIAL AND INDUSTRIAL	17,760	17,602	17,110	16,183	15,015	18
OTHER SALES TO PUBLIC AUTHORITIES	1,159	1,136	1,136	1,134	1,143	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	131,181	130,499	129,804	129,454	128,454	21
RESALE	1	1	1	1	1	22
TOTAL CUSTOMERS	131,182	130,500	129,805	129,455	128,455	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 789.91	$ 825.76	$ 833.41	$ 741.68	$ 635.81	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	119	123	121	136	142	25
AVERAGE REVENUE PER MCF SOLD	$ 6.66	$ 6.70	$ 6.88	$ 5.44	$ 4.47	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 4,543.03	$ 5,368.55	$ 5,552.64	$ 5,086.31	$ 4,785.06	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	834	974	972	1,092	1,268	28
AVERAGE REVENUE PER MCF SOLD	$ 5.45	$ 5.51	$ 5.71	$ 4.66	$ 3.77	29
GAS OPERATION AND MAINTENANCE EXPENSES						
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	148,268	74,145	81,818	204,589	109,868	31
NATURAL GAS						
PRODUCTION AND GATHERING	13,359	37,765	22,156	23,230	33,827	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	129,730,874	146,337,136	159,977,411	132,739,215	112,753,117	35
OTHER	376,145	48,489-	846,452	243,226-	486,586-	36
TOTAL PRODUCTION EXPENSE	130,268,646	146,400,557	160,927,834	132,723,808	112,410,226	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	-	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-	40
TRANSMISSION EXPENSES	388,282	496,603	370,820	332,834	329,382	41
DISTRIBUTION EXPENSES	9,836,610	9,154,520	8,537,440	8,677,373	7,920,097	42
CUSTOMER ACCOUNTS EXPENSES	3,983,007	4,055,991	3,791,976	3,956,910	2,982,469	43
SALES EXPENSES	1,781,534	1,581,998	1,330,367	1,142,968	872,809	44
ADMINISTRATIVE AND GENERAL EXPENSES	9,499,509	9,368,117	8,691,184	8,649,445	7,466,827	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 155,757,588	$ 171,057,786	$ 183,649,621	$ 155,483,338	$ 131,981,810	46
GAS UTILITY PLANT*						
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 37,908	$ 37,908	$ 37,908	$ 37,908	$ 37,908	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	3,065,968	3,053,710	3,045,323	3,051,322	3,049,273	50
NATURAL GAS PLANT	1,435,995	1,435,995	1,435,995	1,435,995	1,436,587	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	-	-	-	-	-	54
TRANSMISSION PLANT	5,503,157	5,318,812	5,153,564	5,129,747	5,022,892	55
DISTRIBUTION PLANT	141,476,234	134,223,192	129,782,228	124,435,783	118,080,651	56
GENERAL PLANT	1,720,059	1,691,342	1,717,778	1,871,140	1,849,557	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	153,239,321	145,760,959	141,172,786	135,961,895	129,476,868	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	23,619	20,284	20,284	17,456	16,068	63
CONSTRUCTION WORK IN PROGRESS	1,411,966	1,338,278	879,132	1,809,[illegible]	3,663,150	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	154,674,906	147,119,521	142,072,202	137,788,503	133,156,086	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	51,157,411	48,081,728	44,772,775	41,785,242	38,952,667	67
NET GAS UTILITY PLANT	$ 103,517,495	$ 99,037,793	$ 97,299,427	$ 96,003,261	$ 94,203,419	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 145,760,959	$ 141,172,786	$ 135,961,895	$ 129,476,868	$ 124,833,930	69
ADDITIONS	7,955,806	5,153,983	6,030,823	7,240,621	5,027,593	70
RETIREMENTS	478,943	573,696	808,037	763,900	481,976	71
TRANSFERS AND ADJUSTMENTS	1,499	7,886	11,895-	8,306	97,321	72
PLANT IN SERVICE END OF YEAR	$ 153,239,321	$ 145,760,959	$ 141,172,786	$ 135,961,895	$ 129,476,868	73

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

NEW YORK STATE ELECTRIC & GAS CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 190,201,164	$ 207,817,466	$ 207,886,521	$ 184,997,414	$ 158,381,433
2	SALES (MCF)	31,567,805	34,508,548	33,524,085	36,986,408	38,898,784
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 130,107,019	$ 146,288,647	$ 160,923,863	$ 132,495,989	$ 112,266,531
4	WAGES AND BENEFITS	16,139,681	15,928,514	14,940,257	14,431,021	12,631,903
5	OTHER OPERATION AND MAINTENANCE EXPENSES	9,510,886	8,840,625	7,886,501	8,556,328	7,083,376
6	DEPRECIATION AND AMORTIZATION EXPENSES	3,922,157	4,274,387	4,123,019	3,958,975	3,793,931
7	INCOME TAXES - OPERATING	3,021,989	1,612,127-	1,218,672-	3,472,711	2,152,308
8	OTHER TAXES - OPERATING	15,606,273	16,298,383	15,483,526	13,981,798	12,181,188
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	5,570,634	5,875,988	5,685,840	6,379,640	4,627,206
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	763,244	843,978	802,227	912,806	879,758
11	EARNINGS AVAILABLE FOR COMMON EQUITY	5,559,278	11,081,101	680,040-	828,147	2,765,232
12	TOTAL	$ 190,201,164	$ 207,817,466	$ 207,886,521	$ 184,997,414	$ 158,381,433
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	68.4	70.4	77.4	71.6	70.9
14	WAGES AND BENEFITS	8.5	7.7	7.2	7.8	8.0
15	OTHER OPERATION AND MAINTENANCE EXPENSES	5.0	4.3	3.8	4.6	4.5
16	DEPRECIATION AND AMORTIZATION EXPENSES	2.1	2.1	2.0	2.1	2.4
17	INCOME TAXES - OPERATING	1.6	0.7-	0.5-	1.9	1.4
18	OTHER TAXES - OPERATING	8.2	7.8	7.4	7.5	7.7
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	2.9	2.8	2.7	3.4	2.9
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.4	0.4	0.4	0.5	0.6
21	EARNINGS AVAILABLE FOR COMMON EQUITY	2.9	5.3	0.2-	0.4	1.7
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 4.12	$ 4.24	$ 4.80	$ 3.58	$ 2.89
24	WAGES AND BENEFITS	0.51	0.46	0.45	0.39	0.32
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.30	0.26	0.24	0.23	0.18
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.12	0.12	0.12	0.11	0.10
27	INCOME TAXES - OPERATING	0.10	0.04-	0.03-	0.09	0.06
28	OTHER TAXES - OPERATING	0.49	0.47	0.46	0.38	0.31
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.18	0.17	0.17	0.17	0.12
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.02	0.02	0.02	0.02	0.02
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.18	0.32	0.01-	0.02	0.07
32	TOTAL	$ 6.03	$ 6.02	$ 6.20	$ 5.00	$ 4.07
33	*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	3.04	3.09	3.42	4.05	5.05

GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

NIAGARA MOHAWK POWER CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 526,649,575	$ 503,464,401	$ 481,075,380	$ 458,315,314	$ 431,918,573
2	ACCUM. PROVISION FOR DEPR. AND AMORT	138,753,482	130,695,873	121,899,825	115,033,556	107,199,962
3	NET GAS UTILITY PLANT	387,896,093	372,768,528	359,175,555	343,281,758	324,718,611
4	OTHER UTILITY PLANT	7,079,682,911	6,368,099,175	5,634,584,255	5,017,547,928	4,514,370,362
5	ACCUM. PROVISION FOR DEPR. AND AMORT	1,478,894,419	1,358,830,831	1,395,887,569	1,305,639,604	1,226,250,885
6	NET OTHER UTILITY PLANT	5,600,788,492	5,009,268,344	4,238,696,687	3,711,908,322	3,288,119,477
7	TOTAL UTILITY PLANT	7,606,332,486	6,871,563,578	6,115,659,635	5,475,863,240	4,946,288,935
8	ACCUM. PROVISION FOR DEPR. AND AMORT	1,617,647,901	1,489,526,704	1,517,787,394	1,420,673,160	1,335,450,847
9	NET TOTAL UTILITY PLANT	5,988,684,585	5,382,036,872	4,597,872,242	4,055,190,080	3,610,838,088
10	NONUTILITY PROPERTY LESS ACCUM. PROV FOR DEPRECIATION AND AMORTIZATION	18,643,249	18,347,888	18,719,395	19,667,900	18,033,190
11	INVESTMENT IN ASSOCIATED COMPANIES	-	330,904	413,763	356,832	356,832
12	INVESTMENT IN SUBSIDIARY COMPANIES	75,604,561	72,484,080	59,057,390	50,487,178	41,976,714
13	OTHER INVESTMENTS	232,262,189	128,532,638	32,345	80,573	80,573
14	SPECIAL FUNDS	79,916,312	50,402,625	29,769,088	13,421,793	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	406,426,311	270,078,130	107,991,981	84,014,176	60,447,309
16	CASH	16,702,180	21,879,023	21,949,845	10,592,784	5,255,339
17	SPECIAL DEPOSITS	151,619	150,843	88,148	624,485	95,451
18	WORKING FUNDS	23,686,621	1,736,950	6,971,099	6,422,159	1,313,887
19	TEMPORARY CASH INVESTMENTS	246,817	5,271,660	-	-	-
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	279,612,609	275,129,430	273,843,434	229,204,012	196,227,829
21	RECEIVABLES FROM ASSOCIATED COMPANIES	329,730	287,743	228,666	499,343	692,965
22	MATERIALS AND SUPPLIES	129,453,709	158,083,828	151,700,407	198,870,307	200,321,204
23	GAS STORED UNDERGROUND-CURRENT	-	-	-	-	-
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	16,958,242	10,702,058	12,994,119	7,028,041	7,148,887
26	OTHER CURRENT AND ACCRUED ASSETS	7,187,325	8,869,378	4,353,409	3,274,323	2,856,985
27	TOTAL CURRENT AND ACCRUED ASSETS	474,329,032	482,090,941	472,130,127	483,315,514	413,912,547
28	UNAMORTIZED DEBT EXPENSE	64,041,780	52,381,070	21,704,007	21,843,811	16,029,211
29	EXTRAORDINARY PROPERTY LOSSES	1,708,789	10,837,942	14,874,848	21,232,709	-
30	PREL. SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
31	CLEARING ACCOUNTS	24,076	28,844	18,127	17,254	42,919
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	1,361,617-	1,862,429	5,293,647	4,671,745	4,915,980
34	ACCUMULATED DEFERRED INCOME TAXES	15,674,000	54,176,000	58,919,000	73,393,000	56,169,000
35	OTHER DEFERRED DEBITS	81,169,236	34,100,300	68,112,535	33,436,951	58,541,914
36	TOTAL DEFERRED DEBITS	161,257,184	153,388,588	168,982,364	204,595,470	137,699,024
37	TOTAL ASSETS AND OTHER DEBITS	$ 7,030,697,092	$ 6,287,594,528	$ 5,346,976,714	$ 4,797,115,240	$ 4,222,896,968
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 128,928,340	$ 118,848,974	$ 104,010,003	$ 93,832,151	$ 83,973,252
39	PREFERRED STOCK ISSUED	662,900,000	628,850,000	582,800,000	484,750,000	474,200,000
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	1,210,463,925	1,035,273,337	868,485,451	697,394,141	582,059,219
43	OTHER PAID-IN CAPITAL	334,222,230	333,744,079	333,744,079	333,744,079	333,744,513
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	14,447,457-	12,970,848-	11,733,534-	10,343,702-	10,599,505-
46	RETAINED EARNINGS	791,934,619	702,224,603	617,815,582	564,469,905	471,635,771
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	50,180,588	40,237,078	32,865,388	1,553,511	17,120,712
48	REACQUIRED CAPITAL STOCK	-	1,349,000-	2,378,000-	2,008,000-	2,002,000-
49	TOTAL PROPRIETARY CAPITAL	3,182,182,245	2,842,858,223	2,525,610,969	2,163,392,085	1,930,131,962
50	BONDS (LESS BONDS REACQUIRED)	2,129,751,000	2,069,996,000	1,779,333,000	1,744,185,000	1,418,283,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	570,127,872	377,973,035	238,300,000	154,600,000	199,600,000
53	NET UNAMORTIZED PREMIUM + DISCOUNT	1,548,166	1,951,375	1,834,832	2,933,673	4,727,289
54	TOTAL LONG TERM DEBT	2,701,427,038	2,449,920,410	2,017,467,832	1,901,718,673	1,622,610,289
55	NOTES PAYABLE	5,000,000	51,080,000	80,100,000	92,000,000	123,330,000
56	ACCOUNTS PAYABLE	214,604,855	198,383,638	197,075,539	193,607,675	177,922,456
57	PAYABLES TO ASSOCIATED COMPANIES	2,458,434	2,712,276	1,533,438	1,468,689	878,571
58	CUSTOMER DEPOSITS	7,740,695	6,551,721	5,648,481	4,980,989	4,701,898
59	TAXES ACCRUED	6,257,947	22,623,866	12,573,495	19,279,545	22,099,195
60	INTEREST ACCRUED	76,276,750	66,392,373	46,621,639	47,560,139	36,358,099
61	DIVIDENDS DECLARED	-	789-	-	-	-
62	TAX COLLECTIONS PAYABLE	6,112,126	6,287,354	8,670,682	8,333,773	7,160,195
63	OTHER CURRENT AND ACCRUED LIABILITIES	178,232,371	98,627,787	108,562,687	78,684,364	83,919,831
64	TOTAL CURRENT AND ACCRUED LIABILITIES	494,683,178	455,028,213	460,785,941	445,895,174	456,370,245
65	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	-	-
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	219,198,000	182,691,000	129,488,000	79,959,000	64,931,000
68	OTHER DEFERRED CREDITS	120,976,631	111,245,682	24,376,972	34,084,581	42,812,838
	ACCUMULATED DEFERRED INCOME TAXES					
69	ACCELERATED AMORTIZATION	4,943,000	6,246,000	7,603,000	9,015,000	10,482,000
70	LIBERALIZED DEPRECIATION	221,263,000	178,285,000	124,391,000	100,485,000	70,224,000
71	OTHER	85,824,000	61,340,000	57,253,000	62,514,000	25,076,000
72	TOTAL DEFERRED CREDITS	652,204,631	539,787,682	343,111,972	286,057,581	213,525,838
73	PROPERTY INSURANCE RESERVE	-	-	-	-	-
74	INJURIES AND DAMAGE RESERVES	-	-	-	-	-
75	PENSION AND BENEFITS RESERVE	-	-	-	51,727	258,634
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	-	-	-	51,727	258,634
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 7,030,697,092	$ 6,287,594,528	$ 5,346,976,714	$ 4,797,115,240	$ 4,222,896,968

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

NIAGARA MOHAWK POWER CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
	COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS					
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 598,538,409 $	661,076,381 $	608,586,699 $	533,121,959 $	430,185,289	1
OPERATION AND MAINTENANCE EXPENSE	479,835,448	524,836,113	497,609,707	434,083,401	343,430,714	2
DEPRECIATION EXPENSE	12,728,226	12,220,808	11,738,078	11,298,749	10,437,270	3
AMORTIZATION	289,280	408,557	579,185	909,713	527,601	4
TAXES OTHER THAN INCOME TAXES	50,603,748	50,980,287	47,457,799	42,905,131	40,583,870	5
INCOME TAXES	4,818,724	22,628,526	10,200,140	3,575,445	2,818,000	6
PROVISION FOR DEFERRED INCOME TAXES	14,359,000	13,595,000	15,468,000	24,982,000	9,360,000	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	7,799,000-	17,886,000-	16,490,000-	10,377,000-	9,583,000-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	554,815,406	606,764,291	566,560,907	507,355,439	397,574,455	12
NET OPERATING REVENUES	43,721,003	44,312,070	42,025,792	25,766,520	33,210,834	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	43,721,003	44,312,070	42,025,792	25,766,520	33,210,834	15
OTHER UTILITY OPERATING INCOME	361,070,941	342,814,893	307,156,362	285,043,640	233,570,007	16
TOTAL UTILITY OPERATING INCOME	404,791,944	387,126,963	349,182,154	310,810,160	266,780,841	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	35,537-	129,792-	239,022-	102,379-	115,199-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	11,580,528	9,356,690	9,876,212	11,193,464	7,201,554	21
INTEREST AND DIVIDEND INCOME	44,680,643	18,115,080	8,550,048	1,618,856	898,087	22
ALLOWANCE FOR CONSTRUCTION FUNDS	187,316,403	181,496,650	117,792,939	94,736,294	71,889,693	23
MISCELLANEOUS NONOPERATING INCOME	2,794,120	1,762,009-	3,221,927	9,447,414	9,601,870	24
GAIN ON DISPOSITION OF PROPERTY	881,265	815,351	72,752	4,430,444	20,148	25
TOTAL OTHER INCOME	247,177,422	187,891,950	139,274,856	121,384,093	89,494,153	26
TOTAL INCOME	651,969,366	575,018,913	488,457,010	432,194,253	356,274,994	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	1,201,739	983,295	641,006	673,859	785,315	28
INCOME TAXES-NONOPERATING	28,454,447-	32,521,970-	29,023,373-	23,922,600-	19,548,000-	29
LOSS ON DISPOSITION OF PROPERTY	128,276	75,605	83,985	25,384	68,573	30
MISCELLANEOUS AMORTIZATION	427,081	533,411	552,649	554,300	542,226	31
MISCELLANEOUS INCOME DEDUCTIONS	2,036,414-	9,161,777	1,924,039	6,969,732	1,898,865	32
TOTAL INCOME DEDUCTIONS	26,734,756-	21,787,882-	25,821,694-	15,699,325-	16,253,031-	33
INCOME BEFORE INTEREST CHARGES	678,704,121	596,806,795	514,278,704	447,893,578	372,528,025	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	256,834,343	221,703,684	187,761,814	155,283,815	130,274,274	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	4,312,187	3,259,586	2,122,018	1,711,891	1,400,614	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	354,673-	365,659-	380,972-	426,474-	404,673-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	1,354,840	-	-	-	38
OTHER INTEREST EXPENSE	6,482,230	11,120,490	12,366,894	22,790,209	20,613,824	39
TOTAL INTEREST CHARGES	267,274,087	237,072,941	201,869,754	179,359,441	151,884,039	40
INCOME BEFORE EXTRAORDINARY ITEMS	411,430,034	359,733,854	312,408,950	268,534,137	220,643,986	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 411,430,034 $	359,733,854 $	312,408,950 $	268,534,137 $	220,643,986	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 701,526,370 $	617,117,349 $	563,771,672 $	470,937,538 $	418,968,245	47
BALANCE TRANSFERRED FROM INCOME	401,488,524	352,382,164	304,457,738	260,740,673	214,035,581	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	59,559,323	51,460,031	42,108,640	37,585,718	34,285,072	50
-COMMON STOCK	252,217,185	216,493,112	185,642,756	153,681,486	127,781,216	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	23,380,665-	23,380,665	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	791,236,386	701,526,370	617,117,349	563,771,672	470,937,538	53
APPROPRIATED RETAINED EARNINGS	698,233	698,233	698,233	698,233	698,233	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	50,180,588	40,237,078	32,865,388	1,553,511	17,120,712	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 842,115,207 $	742,461,681 $	650,680,970 $	566,023,416 $	488,756,483	56
	SELECTED BALANCE SHEET RELATIONSHIPS					
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	0.86	0.76	0.77	0.83	0.97	57
OTHER UTILITY PLT /DOLLAR OF OTHER REVENUE	3.24	2.83	2.65	2.59	2.54	58
TOTAL UTILITY PLT /DOLLAR OF TOTAL REVENUE	2.70	2.34	2.21	2.19	2.22	59
CURRENT ASSETS / BY CURRENT LIABILITIES	0.98	1.06	1.02	1.02	0.91	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	45.9	46.2	44.4	46.7	45.6	61
PREFERRED STOCK	11.6	11.8	13.0	11.9	13.3	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	29.0	28.5	28.9	27.4	27.7	63
RETAINED EARNINGS	13.4	13.2	13.5	13.8	13.2	64
LONG-TERM DEBT % OF GROSS UTILITY PLANT	35.5	35.6	32.9	34.7	32.8	65
% OF NET UTILITY PLANT	45.1	45.5	43.8	46.8	44.9	66
ACCUM PROVISION FOR DEPR % OF UTILITY PLT	21.2	21.6	24.8	25.9	26.9	67
	SELECTED INCOME ACCOUNT RELATIONSHIPS					
GAS OPERATING REVENUES - % OF TOTAL OPERATING REVENUES	22.3	23.5	23.2	22.4	20.1	68
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	80.1	80.6	81.7	81.4	79.7	69
GAS DEPRECIATION AND AMORTIZATION	2.1	1.9	2.0	2.2	2.5	70
TOTAL INCOME TAXES-GAS, OPERATING	1.9	2.8	1.5	3.4	0.6	71
OTHER TAXES-GAS, OPERATING	8.4	7.8	7.7	8.0	9.4	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL GAS OPERATING EXPENSE	92.6	93.1	93.0	95.1	92.2	74
GAS OPERATING INCOME	7.3	6.8	6.9	4.8	7.7	75
GAS DEPR. AND AMORT. % OF GAS UTILITY PLT	2.4	2.5	2.5	2.6	2.5	76
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	10.0	8.6	7.7	7.5	7.1	77
PRETAX INTEREST COVERAGE	3.1	3.1	2.9	2.9	2.6	78
NET INCOME-PERCENT OF OPERATING REVENUES	15.3	12.9	11.9	11.3	10.3	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	2.2	1.8	1.6	1.5	1.6	80
TIMES EARNED	6.9	7.0	7.4	7.1	6.4	81
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	9.4	7.8	7.0	6.4	5.9	82
% OF EARNINGS AVAILABLE FOR COMMON	71.8	70.2	68.6	66.5	68.5	83
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	14.9	14.8	14.9	14.7	13.5	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	10.7	10.4	10.2	9.8	9.2	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NIAGARA MOHAWK POWER CORPORATION

LINE NO		1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 411,430,034	$ 359,733,854	$ 312,408,950	$ 268,534,137	$ 220,643,986
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	149,870,076	140,380,300	126,765,149	120,700,234	101,863,311
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	141,206,000	116,266,000	80,850,259	68,900,015	19,733,595
4	INTEREST CAPITALIZED	187,316,403-	161,496,650-	117,792,939-	94,736,294-	71,889,693-
5	OTHER (NET)	9,160,215	8,256,386	1,979,757	1,773,379	30,225,078
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	524,349,922	463,137,890	404,211,176	365,171,471	300,576,277
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-			
9	TOTAL FUNDS FROM INTERNAL SOURCES	524,349,922	463,137,890	404,211,176	365,171,471	300,576,277
10	LESS DIVIDENDS: PREFERRED	59,559,323	51,460,031	42,108,640	37,585,718	34,285,072
11	COMMON	252,217,185	216,493,112	185,642,756	153,681,486	127,781,216
12	NET FUNDS FROM INTERNAL SOURCES	212,573,414	195,184,747	176,459,780	173,904,267	138,509,989
	EXTERNAL SOURCES					
13	LONG TERM DEBT	425,480,502	409,713,713	289,900,000	316,578,207	186,650,000
14	PREFERRED STOCK	75,000,000	50,000,000	120,000,000	20,000,000	58,000,000
15	COMMON STOCK	185,269,954	189,626,857	171,269,162	145,193,821	101,312,579
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	
17	OTHER (NET)	-	-	-	-	30,000
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	685,750,456	649,340,570	581,169,162	481,772,028	345,992,579
20	OTHER SOURCES (NET)	93,666,874	13,331,459	7,976,154		53,082,213
21						
22						
23	TOTAL FUNDS PROVIDED	$ 991,990,744	$ 857,856,776	$ 765,605,096	$ 655,676,295	$ 537,584,781
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	GAS PLANT	$ 20,911,143	$ 41,001,891	$ 31,872,767	$ 32,609,895	$ 32,941,748
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	-	-	-	-	-
27	OTHER	745,766,154	743,692,749	643,863,293	559,285,410	423,755,715
28	TOTAL GROSS ADDITIONS	766,677,297	784,694,640	675,736,060	591,895,305	456,697,463
29	LESS INTEREST CAPITALIZED	187,316,403	161,496,650	117,792,939	94,736,294	71,889,693
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	579,360,894	623,197,990	557,943,121	497,159,011	384,807,770
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	178,195,000	30,732,000	173,052,000	65,428,000	140,280,000
32	PREFERRED STOCK	19,601,000	12,923,000	12,318,000	9,456,000	8,676,000
33	REDEMPTION OF CAPITAL STOCK	-	-			
34	NET DECREASE IN SHORT TERM DEBT	46,050,000	29,050,000	11,900,000	15,000,000	
35	OTHER (NET)	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	243,846,000	72,705,000	197,270,000	89,884,000	148,956,000
38	OTHER USES (NET)	168,783,850	161,953,786	10,391,975	68,633,284	3,821,011
39						
40						
41	TOTAL FUNDS APPLIED	$ 991,990,744	$ 857,856,776	$ 765,605,096	$ 655,676,295	$ 537,584,781

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MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

NIAGARA MOHAWK POWER CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
		GAS OPERATING REVENUES				
REVENUES						
RESIDENTIAL	$ 295,080,881	$ 313,535,868	$ 304,157,282	$ 264,746,853	$ 222,280,182	1
COMMERCIAL AND INDUSTRIAL	281,198,549	313,776,415	284,913,230	249,686,647	192,063,483	2
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	3
INTERDEPARTMENTAL	-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	576,257,210	627,312,283	589,070,512	514,433,300	414,343,665	5
RESALE	18,691,098	19,708,076	15,783,044	15,418,357	13,794,834	6
TOTAL REVENUES FROM SALES OF GAS	594,948,308	647,020,359	604,853,556	529,851,657	428,138,499	7
OTHER GAS OPERATING REVENUES	3,588,103	4,056,002	3,733,143	3,270,302	2,646,790	8
TOTAL GAS OPERATING REVENUES	$ 598,536,409	$ 651,076,361	$ 608,586,699	$ 533,121,959	$ 430,785,289	9
GAS SALES (MCF)						
RESIDENTIAL	46,039,707	48,170,140	45,588,040	49,629,234	50,292,376	10
COMMERCIAL AND INDUSTRIAL	54,687,280	58,995,228	51,223,226	53,208,433	51,719,520	11
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	12
INTERDEPARTMENTAL	-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS	100,726,987	107,165,368	96,811,266	102,837,667	102,011,896	14
RESALE	4,740,301	4,663,657	3,532,135	3,867,297	4,755,410	15
TOTAL GAS SALES	105,467,288	111,829,023	100,343,401	106,704,964	106,767,306	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	404,116	400,878	398,596	396,729	393,182	17
COMMERCIAL AND INDUSTRIAL	33,088	32,609	32,222	31,722	31,094	18
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	437,204	433,487	430,818	428,451	424,276	21
RESALE	2	2	2	2	2	22
TOTAL CUSTOMERS	437,206	433,489	430,820	428,453	424,278	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 730.14	$ 782.12	$ 763.07	$ 667.32	$ 565.34	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	114	120	114	125	128	25
AVERAGE REVENUE PER MCF SOLD	$ 6.41	$ 6.51	$ 6.67	$ 5.33	$ 4.42	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 8,498.45	$ 9,622.39	$ 8,842.20	$ 7,871.09	$ 6,176.87	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	1,653	1,809	1,590	1,677	1,663	28
AVERAGE REVENUE PER MCF SOLD	$ 5.14	$ 5.32	$ 5.56	$ 4.69	$ 3.71	29
		GAS OPERATION AND MAINTENANCE EXPENSES				
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	-	-	-	-	-	31
NATURAL GAS						
PRODUCTION AND GATHERING	12,101	15,142	24,282	24,497	33,022	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	411,801,291	452,960,630	432,897,407	377,595,659	292,863,311	35
OTHER	1,888	9,796	20,052	19,148	22,075	36
TOTAL PRODUCTION EXPENSE	411,815,280	452,985,568	432,941,741	377,639,304	292,918,408	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	-	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-	40
TRANSMISSION EXPENSES	-	-	-	-	-	41
DISTRIBUTION EXPENSES	25,745,986	25,371,102	26,720,426	23,764,095	21,728,413	42
CUSTOMER ACCOUNTS EXPENSES	11,957,136	12,026,857	11,471,101	9,463,187	7,953,241	43
SALES EXPENSES	1,810,817	1,569,697	1,201,471	1,102,521	1,122,858	44
ADMINISTRATIVE AND GENERAL EXPENSES	28,508,230	32,882,289	25,268,968	22,114,294	19,707,794	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 479,835,448	$ 524,836,113	$ 497,609,707	$ 434,083,401	$ 343,430,714	46
		GAS UTILITY PLANT*				
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	-	-	-	-	-	48
PRODUCTION PLANT	-	-	-	-	-	49
MANUFACTURED GAS PLANT	-	-	-	-	-	50
NATURAL GAS PLANT	2,137,158	2,284,317	2,548,092	2,834,461	3,455,209	51
NATURAL GAS STORAGE PLANT	-	-	-	-	-	52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	-	-	-	-	-	54
TRANSMISSION PLANT	-	-	-	-	-	55
DISTRIBUTION PLANT	511,546,650	488,325,347	467,450,460	442,114,316	412,592,415	56
GENERAL PLANT	4,311,445	4,018,449	3,758,504	4,448,772	4,606,275	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	517,995,253	494,628,113	473,757,056	449,397,549	420,653,899	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	-	-	-	-	-	63
CONSTRUCTION WORK IN PROGRESS	8,654,322	8,836,288	7,318,324	8,917,765	11,264,674	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	526,649,575	503,464,401	481,075,380	458,315,314	431,918,573	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	138,753,482	130,695,873	121,899,825	115,033,556	107,199,962	67
NET GAS UTILITY PLANT	$ 387,896,093	$ 372,768,528	$ 359,175,555	$ 343,281,758	$ 324,718,611	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 494,628,113	$ 473,757,056	$ 449,397,549	$ 420,653,899	$ 390,237,312	69
ADDITIONS	27,321,915	24,204,649	28,527,848	31,541,730	33,358,498	70
RETIREMENTS	3,955,479	3,342,908	3,831,111	2,809,762	2,950,474	71
TRANSFERS AND ADJUSTMENTS	704	9,316	337,230-	11,682	8,563	72
PLANT IN SERVICE END OF YEAR	$ 517,995,253	$ 494,628,113	$ 473,757,056	$ 449,397,549	$ 420,653,899	73

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

NIAGARA MOHAWK POWER CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 598,538,409	$ 661,076,361	$ 608,586,699	$ 533,121,959	$ 430,785,299
2	SALES (MCF)	105,467,288	111,829,023	100,343,401	106,704,964	106,767,306
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 411,803,179	$ 452,970,428	$ 432,917,459	$ 377,614,807	$ 292,885,386
4	WAGES AND BENEFITS	46,816,632	45,344,611	44,474,199	39,642,231	36,120,067
5	OTHER OPERATION AND MAINTENANCE EXPENSES	21,215,637	26,521,078	20,218,049	16,826,363	14,425,261
6	DEPRECIATION AND AMORTIZATION EXPENSES	12,997,486	12,629,366	12,315,281	12,206,462	10,964,871
7	INCOME TAXES - OPERATING	11,378,724	18,338,526	9,178,140	18,160,445	2,595,000
8	OTHER TAXES - OPERATING	50,603,748	50,960,287	47,457,799	42,905,131	40,583,870
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	21,319,337	18,887,553	16,083,643	16,113,156	11,727,300
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	3,890,297	3,603,086	3,315,646	3,223,376	2,427,390
11	EARNINGS AVAILABLE FOR COMMON EQUITY	18,511,368	21,841,431	22,626,503	6,429,988	19,056,144
12	TOTAL	$ 598,538,409	$ 661,076,361	$ 608,586,699	$ 533,121,959	$ 430,785,289
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	68.8	69.6	71.1	70.8	68.0
14	WAGES AND BENEFITS	7.8	7.0	7.3	7.4	8.4
15	OTHER OPERATION AND MAINTENANCE EXPENSES	3.5	4.1	3.3	3.2	3.3
16	DEPRECIATION AND AMORTIZATION EXPENSES	2.2	1.9	2.0	2.3	2.5
17	INCOME TAXES - OPERATING	1.9	2.8	1.5	3.4	0.6
18	OTHER TAXES - OPERATING	8.5	7.8	7.8	8.0	9.4
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	3.6	2.9	2.6	3.0	2.7
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.6	0.6	0.5	0.6	0.6
21	EARNINGS AVAILABLE FOR COMMON EQUITY	3.1	3.4	3.7	1.2	4.4
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.90	$ 4.05	$ 4.31	$ 3.54	$ 2.74
24	WAGES AND BENEFITS	0.44	0.41	0.44	0.37	0.34
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.20	0.24	0.20	0.16	0.14
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.12	0.11	0.12	0.11	0.10
27	INCOME TAXES - OPERATING	0.11	0.16	0.09	0.17	0.02
28	OTHER TAXES - OPERATING	0.48	0.46	0.47	0.40	0.38
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.20	0.17	0.16	0.15	0.11
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.04	0.03	0.03	0.03	0.02
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.18	0.20	0.23	0.06	0.18
32	TOTAL	$ 5.68	$ 5.82	$ 6.07	$ 5.00	$ 4.03
33	*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	6.58	7.08	7.94	8.61	9.14

GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

ORANGE AND ROCKLAND UTILITIES, INC

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 114,489,418	$ 105,147,084	$ 98,607,813	$ 94,745,813	$ 88,691,979
2	ACCUM. PROVISION FOR DEPR. AND AMORT.	36,644,293	31,991,365	27,142,185	23,714,433	20,379,373
3	NET GAS UTILITY PLANT	77,845,125	73,155,719	71,465,428	71,031,380	68,312,606
4	OTHER UTILITY PLANT	543,241,354	513,181,776	488,598,840	472,355,953	491,693,744
5	ACCUM. PROVISION FOR DEPR. AND AMORT.	168,472,201	156,154,139	142,840,296	130,918,620	118,991,902
6	NET OTHER UTILITY PLANT	374,769,153	357,027,637	345,758,544	341,437,333	372,701,842
7	TOTAL UTILITY PLANT	657,730,772	618,328,860	587,206,453	567,101,766	580,385,723
8	ACCUM. PROVISION FOR DEPR. AND AMORT.	205,116,494	188,145,504	169,982,481	154,633,053	139,371,275
9	NET TOTAL UTILITY PLANT	452,614,278	430,183,356	417,223,972	412,468,713	441,014,448
10	NONUTILITY PROPERTY LESS ACCUM. PROV FOR DEPRECIATION AND AMORTIZATION	83,506	91,038	79,279	109,628	125,123
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	61,225,798	56,283,544	54,491,112	47,812,100	41,640,050
13	OTHER INVESTMENTS	1	1	1	1	736
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	61,309,305	56,374,583	54,570,392	47,921,729	41,765,909
16	CASH	4,823,254	2,301,871	993,950	1,061,712	783,206
17	SPECIAL DEPOSITS	568,228	259,863	177,863	109,772	3,244
18	WORKING FUNDS	104,862	39,214	69,289	66,616	103,105
19	TEMPORARY CASH INVESTMENTS	-	8,970,161	-	-	-
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	34,982,563	37,984,287	37,725,767	30,654,162	29,401,639
21	RECEIVABLES FROM ASSOCIATED COMPANIES	7,764,500	8,531,675	7,395,243	9,501,406	8,349,752
22	MATERIALS AND SUPPLIES	17,662,295	18,773,090	14,079,489	18,257,634	16,893,172
23	GAS STORED UNDERGROUND-CURRENT	5,133,069	3,776,418	3,313,349	4,184,338	1,399,001
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	14,062,863	13,484,305	12,921,909	32,853,218	25,206,890
26	OTHER CURRENT AND ACCRUED ASSETS	33,639,381	26,543,641	22,503,071	15,667,909	14,755,063
27	TOTAL CURRENT AND ACCRUED ASSETS	118,740,996	120,664,325	99,179,720	112,376,767	98,895,271
28	UNAMORTIZED DEBT EXPENSE	4,686,684	3,408,082	2,129,385	2,437,492	1,524,373
29	EXTRAORDINARY PROPERTY LOSSES	34,850,943	36,685,577	36,544,953	33,344,800	205,636
30	PREL. SURVEY + INVESTIGATION CHARGES	546,860	682,637	600,246	535,247	205,941
31	CLEARING ACCOUNTS	1,718	-	84	-	-
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	290,191-	556,938-	77,418-	116,252	58,473
34	ACCUMULATED DEFERRED INCOME TAXES	1,148,149	526,738	257,842	272,276	375,532
35	OTHER DEFERRED DEBITS	12,567,184	13,778,170	18,332,864	22,287,669	20,720,996
36	TOTAL DEFERRED DEBITS	53,511,347	54,524,268	59,787,926	58,993,726	23,090,951
37	TOTAL ASSETS AND OTHER DEBITS	$ 686,175,926	$ 660,746,532	$ 630,762,010	$ 631,760,935	$ 602,766,579
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 63,130,810	$ 63,112,086	$ 61,525,110	$ 58,867,065	$ 56,308,080
39	PREFERRED STOCK ISSUED	60,322,164	61,790,087	61,823,492	61,911,062	62,018,234
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	106,808,316	105,743,632	100,633,816	93,408,810	88,039,303
43	OTHER PAID-IN CAPITAL	-	-	-	-	-
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	5,848,720-	5,804,506-	5,748,418-	5,623,736-	5,502,897-
46	RETAINED EARNINGS	66,807,220	64,858,456	55,842,734	49,932,452	44,378,181
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	35,000,717	30,960,464	30,168,132	26,489,120	22,217,070
48	REACQUIRED CAPITAL STOCK	-	-	-	-	-
49	TOTAL PROPRIETARY CAPITAL	325,218,506	320,660,226	304,244,866	285,044,774	267,457,971
50	BONDS (LESS BONDS REACQUIRED)	170,000,000	170,000,000	170,000,000	178,000,000	188,000,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	25,057,702	18,926,290	6,237,125	5,341,680	55,550
53	NET UNAMORTIZED PREMIUM + DISCOUNT	285,827-	39,940	591,726	602,261	834,184
54	TOTAL LONG TERM DEBT	194,771,875	188,966,230	176,828,851	183,943,941	188,889,734
55	NOTES PAYABLE	4,500,000	-	11,500,000	14,000,000	8,100,000
56	ACCOUNTS PAYABLE	42,738,124	42,297,507	31,919,090	34,600,107	37,689,226
57	PAYABLES TO ASSOCIATED COMPANIES	312,179	763,151	421,401	1,905,745	739,037
58	CUSTOMER DEPOSITS	2,054,542	1,914,025	1,837,682	1,777,310	2,016,234
59	TAXES ACCRUED	3,173,533	3,395,856	17,422,533	37,868,841	25,829,897
60	INTEREST ACCRUED	5,006,474	4,989,859	5,431,863	5,512,364	6,342,395
61	DIVIDENDS DECLARED	1,002,799	1,002,799	1,002,799	1,002,799	1,002,799
62	TAX COLLECTIONS PAYABLE	332,310	275,987	271,643	301,788	343,147
63	OTHER CURRENT AND ACCRUED LIABILITIES	19,036,353	16,197,309	16,073,813	4,237,036	4,479,131
64	TOTAL CURRENT AND ACCRUED LIABILITIES	78,156,314	70,836,493	85,880,824	101,205,989	86,541,866
65	CUSTOMER ADVANCES FOR CONSTRUCTION	755,943	671,478	541,252	403,916	473,266
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	15,784,513	13,091,388	11,418,396	10,338,353	8,482,948
68	OTHER DEFERRED CREDITS	11,366,288	11,851,743	6,295,537	8,269,849	10,890,993
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	1,067,328	988,273	1,106,521	1,224,769	1,343,017
70	LIBERALIZED DEPRECIATION	34,138,101	28,487,700	23,672,900	19,236,551	15,675,343
71	OTHER	22,693,658	24,667,201	18,493,689	20,499,916	21,951,732
72	TOTAL DEFERRED CREDITS	85,802,829	79,957,763	61,528,295	59,973,356	58,817,299
73	PROPERTY INSURANCE RESERVE	445,921	484,474	484,474	520,860	520,860
74	INJURIES AND DAMAGE RESERVES	1,553,326	1,713,628	1,787,990	1,143,156	692,641
75	PENSION AND BENEFITS RESERVE	-	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	227,155	127,698	6,710	71,141-	153,792-
77	TOTAL OPERATING RESERVES	2,226,402	2,325,800	2,279,174	1,592,875	1,059,709
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 686,175,926	$ 660,746,532	$ 630,762,010	$ 631,760,935	$ 602,766,579

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

ORANGE AND ROCKLAND UTILITIES, INC

ITEM	1985	1984	1983	1982	1981	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 137,930,444	$ 141,702,426	$ 150,512,412	$ 132,249,902	$ 109,688,283	1
OPERATION AND MAINTENANCE EXPENSE	109,658,519	111,562,848	126,438,224	108,471,898	90,105,761	2
DEPRECIATION EXPENSE	4,321,868	4,648,470	3,941,455	3,883,085	2,981,191	3
AMORTIZATION	944,238	750,507	142,788	169,642	41,756	4
TAXES OTHER THAN INCOME TAXES	12,849,060	12,816,864	11,477,013	9,739,021	8,132,891	5
INCOME TAXES	2,698,143	961,521-	3,455,693	408,431	1,706,895	6
PROVISION FOR DEFERRED INCOME TAXES	2,445,800	6,986,237	1,798,600	2,789,840	92,400	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	1,757,883-	2,004,931-	2,859,486-	255,475-	105,004-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-		-	-	11
TOTAL OPERATING EXPENSES	131,160,745	133,788,474	144,394,288	125,206,442	102,955,890	12
NET OPERATING REVENUES	6,769,699	7,913,952	6,118,124	7,043,460	6,732,393	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	6,769,699	7,913,952	6,118,124	7,043,460	6,732,393	15
OTHER UTILITY OPERATING INCOME	41,274,560	41,571,111	39,307,741	36,518,017	31,538,989	16
TOTAL UTILITY OPERATING INCOME	48,044,259	49,485,063	45,425,865	43,561,477	38,271,382	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	11,619-	649	1,302-	858-	269-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	4,040,253	1,578,332	4,463,012	5,068,050	3,961,422	21
INTEREST AND DIVIDEND INCOME	669,188	696,881	2,164,583	2,684,150	474,683	22
ALLOWANCE FOR CONSTRUCTION FUNDS	1,643,130	3,389,108	2,698,415	1,818,656	4,906,546	23
MISCELLANEOUS NONOPERATING INCOME	170,186-	90,622-	169,783-	186,014-	140,124-	24
GAIN ON DISPOSITION OF PROPERTY	204,834	20,710	58,134	41,775	2,848	25
TOTAL OTHER INCOME	6,375,600	5,595,058	9,213,059	9,394,961	9,205,106	26
TOTAL INCOME	54,419,859	55,080,121	54,638,924	52,956,438	47,476,488	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	36,066	29,249	24,487	31,945	44,877	28
INCOME TAXES-NONOPERATING	1,434,944-	2,893,783-	676,475-	300,476	860,227-	29
LOSS ON DISPOSITION OF PROPERTY	43	-	875	-	69	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	439,908	317,562	378,755	195,278	130,622	32
TOTAL INCOME DEDUCTIONS	958,927-	2,546,972-	272,358-	527,699	684,659-	33
INCOME BEFORE INTEREST CHARGES	55,378,786	57,627,093	54,911,282	52,428,739	48,161,147	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	14,157,366	17,277,740	16,692,331	14,791,202	14,263,907	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	179,753	382,757	348,127	208,046	139,733	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	46,369-	46,369-	50,535-	61,923-	54,966-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	1,330,736	1,294,074	1,819,812	3,365,560	3,440,239	39
TOTAL INTEREST CHARGES	15,621,486	18,908,202	18,809,735	18,302,885	17,788,913	40
INCOME BEFORE EXTRAORDINARY ITEMS	39,757,300	38,718,891	36,101,547	34,125,854	30,372,234	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 39,757,300	$ 38,718,891	$ 36,101,547	$ 34,125,854	$ 30,372,234	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 64,858,456	$ 55,842,734	$ 49,992,452	$ 44,378,181	$ 39,553,928	47
BALANCE TRANSFERRED FROM INCOME	39,717,047	37,926,559	32,422,535	29,853,804	27,194,812	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	4,284,360	4,287,709	4,290,048	4,295,717	4,301,358	50
-COMMON STOCK	28,388,024	24,623,128	22,282,205	19,943,816	18,069,201	51
ADJUSTMENTS TO RETAINED EARNINGS	3,097,899-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	66,807,220	64,858,456	55,842,734	49,992,452	44,378,181	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	35,000,717	30,960,464	30,168,132	26,489,120	22,217,070	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 101,807,937	$ 95,818,920	$ 86,010,866	$ 76,481,572	$ 66,595,251	56
SELECTED BALANCE SHEET RELATIONSHIPS						
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	0.80	0.72	0.64	0.68	0.78	57
OTHER UTILITY PLT./DOLLAR OF OTHER REVENUE	1.56	1.40	1.44	1.53	1.66	58
TOTAL UTILITY PLT./DOLLAR OF TOTAL REVENUE	1.34	1.21	1.19	1.29	1.43	59
CURRENT ASSETS / BY CURRENT LIABILITIES	1.52	1.70	1.15	1.11	1.12	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	37.4	36.9	36.7	38.2	41.3	61
PREFERRED STOCK	11.8	12.1	12.8	13.2	13.5	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	38.0	38.2	38.7	38.0	36.2	63
RETAINED EARNINGS	12.8	12.7	11.8	10.6	9.7	64
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	29.6	30.2	30.1	32.4	32.5	65
% OF NET UTILITY PLANT	43.0	43.4	42.3	44.5	42.8	66
ACCUM PROVISION FOR DEPR.: % OF UTILITY PLT	31.1	30.4	28.9	27.2	24.0	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	28.9	28.3	31.0	29.6	27.8	68
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	79.5	78.7	84.0	82.0	82.2	69
GAS DEPRECIATION AND AMORTIZATION	3.8	3.8	2.7	3.0	2.7	70
TOTAL INCOME TAXES-GAS, OPERATING	2.4	2.8	1.5	2.2	1.4	71
OTHER TAXES-GAS, OPERATING	9.3	9.0	7.6	7.3	7.4	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL GAS OPERATING EXPENSE	95.0	94.4	95.9	94.6	93.8	74
GAS OPERATING INCOME	4.9	5.5	4.0	5.3	6.1	75
GAS DEPR. AND AMORT. % OF GAS UTILITY PLT	4.5	5.1	4.1	4.2	3.4	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	3.3	3.8	3.9	4.1	4.5	77
PRETAX INTEREST COVERAGE	5.3	4.5	4.2	4.0	3.4	78
NET INCOME-PERCENT OF OPERATING REVENUES	8.3	7.7	7.4	7.6	7.7	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	0.8	0.8	0.8	0.9	1.0	80
TIMES EARNED	9.3	9.0	8.4	7.9	7.1	81
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	5.5	4.9	4.5	4.4	4.5	82
% OF EARNINGS AVAILABLE FOR COMMON	74.3	71.5	70.0	66.8	69.3	83
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	13.5	13.7	13.8	13.9	13.1	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	10.0	9.8	9.5	9.3	9.0	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ORANGE AND ROCKLAND UTILITIES, INC.

LINE NO		1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 39,757,300	$ 38,718,891	$ 36,101,547	$ 34,125,854	$ 30,372,234
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	19,817,904	19,898,524	17,959,835	17,281,031	16,538,468
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	5,625,625	12,474,180	3,406,349	7,582,686	5,227,412
4	INTEREST CAPITALIZED	1,643,130-	3,389,108-	2,698,415-	1,818,656-	4,906,546-
5	OTHER (NET):	4,865,769	5,408,828	3,102,332	1,282,136	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	68,423,468	73,111,296	57,871,648	58,453,051	47,231,568
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	68,423,468	73,111,296	57,871,648	58,453,051	47,231,568
10	LESS DIVIDENDS: PREFERRED	4,284,360	4,287,709	4,290,048	4,295,717	4,301,356
11	COMMON	26,386,024	24,623,128	22,282,205	19,943,816	18,069,201
12	NET FUNDS FROM INTERNAL SOURCES	37,753,084	44,200,458	31,299,395	34,213,518	24,861,011
	EXTERNAL SOURCES					
13	LONG TERM DEBT	8,808,564	11,043,738	913,613	5,302,312	11,139
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	81,398	6,696,801	9,883,051	7,928,492	5,101,380
16	NET INCREASE IN SHORT TERM DEBT	4,500,000	-	-	5,900,000	8,100,000
17	OTHER (NET)	-	-	-	7,018,070	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	13,389,962	17,740,539	10,796,664	26,148,874	13,212,519
20	OTHER SOURCES (NET)	4,743,140	5,336,411	371,882	-	10,286,650
21						
22						
23	TOTAL FUNDS PROVIDED	$ 55,886,186	$ 67,277,408	$ 42,467,941	$ 60,362,392	$ 48,360,180
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	GAS PLANT	$ 9,584,211	$ 6,770,393	$ 4,259,737	$ 6,432,452	$ 6,710,594
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	17,951	34,625	-	2,164	13,699
27	OTHER	33,225,774	26,944,584	19,032,649	27,040,429	34,349,355
28	TOTAL GROSS ADDITIONS	42,827,936	33,749,602	23,292,386	33,475,045	41,073,648
29	LESS INTEREST CAPITALIZED	1,643,130	3,389,108	2,698,415	1,818,656	4,906,546
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	41,184,806	30,360,494	20,593,971	31,656,389	36,167,102
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	677,142	354,573	8,018,168	10,016,182	6,013,828
32	PREFERRED STOCK	1,467,923	33,405	87,570	107,172	137,585
33	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	11,500,000	2,500,000	-	-
35	OTHER (NET)	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	2,145,065	11,887,978	10,605,738	10,123,354	6,151,413
38	OTHER USES (NET)	12,556,315	25,028,936	11,268,232	18,582,649	6,041,665
39						
40						
41	TOTAL FUNDS APPLIED	$ 55,886,186	$ 67,277,408	$ 42,467,941	$ 60,362,392	$ 48,360,180

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

ORANGE AND ROCKLAND UTILITIES, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO.
	GAS OPERATING REVENUES					
REVENUES						
RESIDENTIAL	$ 76,442,814	$ 76,294,341	$ 85,964,587	$ 71,014,172	$ 57,302,418	1
COMMERCIAL AND INDUSTRIAL	57,307,389	61,582,662	61,195,028	58,278,278	48,421,646	2
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	3
INTERDEPARTMENTAL	71,395	95,380	98,773	96,518	73,830	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	133,821,598	137,972,383	147,258,388	129,388,968	105,797,894	5
RESALE	2,913,077	2,498,445	2,875,650	2,360,090	3,520,732	6
TOTAL REVENUES FROM SALES OF GAS	136,734,675	140,470,828	150,134,038	131,749,058	109,318,626	7
OTHER GAS OPERATING REVENUES	1,195,769	1,231,598	378,376	500,846	369,657	8
TOTAL GAS OPERATING REVENUES	$ 137,930,444	$ 141,702,426	$ 150,512,412	$ 132,249,902	$ 109,688,283	9
GAS SALES (MCF)						
RESIDENTIAL	11,999,288	12,231,490	11,937,992	12,217,137	12,241,119	10
COMMERCIAL AND INDUSTRIAL	10,286,686	10,984,027	10,009,024	11,152,998	11,664,255	11
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	12
INTERDEPARTMENTAL	16,112	22,167	20,178	23,463	22,610	13
TOTAL SALES TO ULTIMATE CONSUMERS	22,301,083	23,237,684	21,967,194	23,393,598	23,927,984	14
RESALE	636,109	607,364	591,690	543,160	1,120,949	15
TOTAL GAS SALES	22,937,192	23,845,048	22,558,884	23,936,758	25,048,933	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	85,817	83,948	82,569	81,332	79,975	17
COMMERCIAL AND INDUSTRIAL	7,623	7,289	7,021	6,789	6,550	18
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	19
INTERDEPARTMENTAL	1	1	1	1	1	20
TOTAL ULTIMATE CONSUMERS	93,441	91,238	89,591	88,122	86,526	21
RESALE	2	2	2	3	4	22
TOTAL CUSTOMERS	93,443	91,238	89,593	88,125	86,530	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 890.77	$ 908.85	$1,041.12	$ 873.14	$ 716.50	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	140	146	145	150	153	25
AVERAGE REVENUE PER MCF SOLD	$ 6.37	$ 6.24	$ 7.20	$ 5.81	$ 4.68	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 7,517.70	$ 8,448.71	$ 8,716.00	$ 8,584.22	$ 7,392.62	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	1,349	1,507	1,426	1,643	1,781	28
AVERAGE REVENUE PER MCF SOLD	$ 5.57	$ 5.61	$ 6.11	$ 5.23	$ 4.15	29
	GAS OPERATION AND MAINTENANCE EXPENSES					
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	599,887	363,898	439,128	921,268	489,214	31
NATURAL GAS						
PRODUCTION AND GATHERING	-	-	-	-	-	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	132,414,337	148,737,918	157,301,505	146,836,354	120,790,019	35
OTHER	48,977,722-	56,270,594-	49,284,820-	54,444,583-	43,875,099-	36
TOTAL PRODUCTION EXPENSE	84,036,502	92,831,222	108,455,813	93,313,039	77,404,134	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	1,762,238	1,777,650	1,777,650	1,713,247	1,209,280	38
OTHER STORAGE EXPENSES	-	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE	1,762,238	1,777,650	1,777,650	1,713,247	1,209,280	40
TRANSMISSION EXPENSES	7,770,495	1,858,654	1,461,683	1,087,488	559,808	41
DISTRIBUTION EXPENSES	6,870,823	6,700,720	6,832,054	5,976,360	5,740,129	42
CUSTOMER ACCOUNTS EXPENSES	2,156,536	2,249,218	2,089,393	1,713,316	1,432,840	43
SALES EXPENSES	513,696	398,454	299,320	301,500	156,138	44
ADMINISTRATIVE AND GENERAL EXPENSES	6,548,230	5,678,930	5,522,311	4,366,948	3,663,432	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 109,658,519	$ 111,552,848	$ 126,438,224	$ 108,471,898	$ 90,165,761	46
	GAS UTILITY PLANT*					
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 20,828	$ 20,828	$ 20,828	$ 20,828	20,828	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	3,384,382	3,367,777	3,337,509	3,216,460	3,151,261	50
NATURAL GAS PLANT	373,743	373,743	439,703	511,659	582,095	51
NATURAL GAS STORAGE PLANT	-	-	-	-	-	52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	-	-	-	-	-	54
TRANSMISSION PLANT	-	-	-	-	-	55
DISTRIBUTION PLANT	104,135,816	96,227,195	91,036,014	87,042,629	81,585,686	56
GENERAL PLANT	3,240,038	3,050,535	2,942,744	2,628,492	1,839,033	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	111,164,803	103,040,076	97,776,796	93,420,066	87,178,903	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	23,633	23,633	23,633	23,633	23,633	63
CONSTRUCTION WORK IN PROGRESS	3,300,982	2,083,375	807,184	1,302,114	1,489,443	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	114,489,418	105,147,084	98,607,613	94,745,813	88,691,979	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	36,644,293	31,981,365	27,142,185	23,714,433	20,379,373	67
NET GAS UTILITY PLANT	$ 77,845,125	$ 73,165,719	$ 71,465,428	$ 71,031,380	$ 68,312,606	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 103,040,076	$ 97,776,796	$ 93,420,066	$ 87,178,903	$ 79,591,550	69
ADDITIONS	8,366,604	5,494,202	4,754,667	6,619,781	7,811,896	70
RETIREMENTS	241,877	262,395	405,116	381,630	224,993	71
TRANSFERS AND ADJUSTMENTS	-	31,473	7,177	3,012	450	72
PLANT IN SERVICE END OF YEAR	$ 111,164,803	$ 103,040,076	$ 97,776,796	$ 93,420,066	$ 87,178,903	73

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

ORANGE AND ROCKLAND UTILITIES, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 137,930,444	$ 141,702,428	$ 150,512,412	$ 132,249,902	$ 109,688,283
2	SALES (MCF)	22,937,192	23,845,048	22,558,884	23,938,758	25,048,933
	DOLLAR AMOUNTS					
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 83,436,615	$ 92,487,324	$ 108,016,686	$ 92,391,771	$ 76,914,920
4	WAGES AND BENEFITS	11,376,173	10,481,689	10,181,182	8,655,651	7,593,934
5	OTHER OPERATION AND MAINTENANCE EXPENSES	14,845,731	8,603,825	8,240,367	7,424,476	5,656,907
6	DEPRECIATION AND AMORTIZATION EXPENSES	5,288,106	5,398,977	4,084,243	4,052,727	3,022,947
7	INCOME TAXES - OPERATING	3,387,060	4,019,786	2,394,808	2,942,796	1,634,291
8	OTHER TAXES - OPERATING	12,849,060	12,816,884	11,477,013	9,739,021	8,132,891
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	3,145,778	3,280,977	2,866,108	3,776,280	4,143,372
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	771,984	784,866	780,254	768,208	688,049
11	EARNINGS AVAILABLE FOR COMMON EQUITY	2,851,927	3,888,119	2,481,762	2,498,912	1,900,972
12	TOTAL	$ 137,930,444	$ 141,702,428	$ 150,512,412	$ 132,249,902	$ 109,688,283
	PERCENT OF REVENUES					
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	60.5	65.3	71.8	69.9	70.1
14	WAGES AND BENEFITS	8.2	7.4	6.8	6.5	6.9
15	OTHER OPERATION AND MAINTENANCE EXPENSES	10.8	6.1	5.5	5.6	5.2
16	DEPRECIATION AND AMORTIZATION EXPENSES	3.8	3.8	2.7	3.1	2.8
17	INCOME TAXES - OPERATING	2.5	2.8	1.6	2.2	1.5
18	OTHER TAXES - OPERATING	9.3	9.0	7.6	7.4	7.4
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	2.3	2.3	1.9	2.9	3.8
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.6	0.5	0.5	0.6	0.6
21	EARNINGS AVAILABLE FOR COMMON EQUITY	2.1	2.7	1.6	1.9	1.7
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	DOLLARS PER MCF					
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.64	$ 3.88	$ 4.79	$ 3.86	$ 3.07
24	WAGES AND BENEFITS	0.50	0.44	0.45	0.36	0.30
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.65	0.36	0.37	0.31	0.23
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.23	0.23	0.18	0.17	0.12
27	INCOME TAXES - OPERATING	0.15	0.17	0.11	0.12	0.07
28	OTHER TAXES - OPERATING	0.56	0.54	0.51	0.41	0.32
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.14	0.14	0.13	0.16	0.17
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.03	0.03	0.03	0.03	0.03
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.12	0.16	0.11	0.10	0.08
32	TOTAL	$ 6.01	$ 5.94	$ 6.67	$ 5.52	$ 4.38
33	*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	18.07	17.85	18.26	18.09	16.05

GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

ROCHESTER GAS AND ELECTRIC CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 238,156,047	$ 227,954,897	$ 218,586,695	$ 208,214,095	$ 197,998,700
2	ACCUM. PROVISION FOR DEPR. AND AMORT	70,093,929	65,107,550	60,445,848	55,527,957	50,834,878
3	NET GAS UTILITY PLANT	168,062,118	162,847,347	158,140,847	152,686,138	147,163,822
4	OTHER UTILITY PLANT	1,918,953,404	1,720,751,009	1,516,747,051	1,337,348,185	1,222,615,978
5	ACCUM. PROVISION FOR DEPR. AND AMORT	506,165,727	465,023,098	425,834,997	381,588,919	338,586,990
6	NET OTHER UTILITY PLANT	1,412,787,677	1,255,727,911	1,090,912,054	955,759,266	884,028,988
7	TOTAL UTILITY PLANT	2,157,109,451	1,948,705,906	1,735,333,746	1,545,562,280	1,420,614,678
8	ACCUM. PROVISION FOR DEPR. AND AMORT	576,259,656	530,130,648	486,280,845	437,116,876	389,421,868
9	NET TOTAL UTILITY PLANT	1,580,849,795	1,418,575,258	1,249,052,901	1,108,445,404	1,031,192,810
10	NONUTILITY PROPERTY LESS ACCUM. PROV FOR DEPRECIATION AND AMORTIZATION	27,371	27,371	27,371	3,573,858	3,573,858
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	2,237,100	2,237,100	2,237,100	-	-
13	OTHER INVESTMENTS	290,759	298,759	116,656	116,656	116,656
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	2,555,230	2,563,230	2,381,127	3,690,514	3,690,514
16	CASH	1,154,964	903,611	1,701,468	1,096,230	1,428,173
17	SPECIAL DEPOSITS	5,463,259	8,969,494	1,169,155	5,373,232	27,494
18	WORKING FUNDS	72,079	66,029	233,271	357,932	553,914-
19	TEMPORARY CASH INVESTMENTS	39,798,414	38,545,798	21,499,861	-	500,000
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	66,308,759	67,572,981	72,408,539	73,338,950	65,375,629
21	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
22	MATERIALS AND SUPPLIES	21,013,566	26,879,942	28,873,396	34,989,937	36,015,919
23	GAS STORED UNDERGROUND-CURRENT	-	-	-	-	-
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	10,186,115	8,098,717	9,656,541	9,309,686	3,175,435
26	OTHER CURRENT AND ACCRUED ASSETS	183,744	64,591	184,798	238,388	7,961
27	TOTAL CURRENT AND ACCRUED ASSETS	144,180,900	151,101,143	135,725,029	124,702,355	105,976,697
28	UNAMORTIZED DEBT EXPENSE	9,081,381	8,000,189	7,293,542	6,427,564	5,222,019
29	EXTRAORDINARY PROPERTY LOSSES	48,116,001	34,479,446	37,379,391	39,986,677	-
30	PREL. SURVEY + INVESTIGATION CHARGES	1,705,398	1,088,688	1,698,130	1,563,216	841,835
31	CLEARING ACCOUNTS	-	-	-	-	-
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	52,536-	2,083,209	4,779,231	6,010,107	4,053,478
34	ACCUMULATED DEFERRED INCOME TAXES	9,912,541	14,699,384	15,045,009	25,589,358	21,015,059
35	OTHER DEFERRED DEBITS	13,513,143	1,396,146	24,983,671	27,352,364	10,620,402
36	TOTAL DEFERRED DEBITS	82,275,929	61,727,082	91,178,976	106,929,286	41,752,793
37	TOTAL ASSETS AND OTHER DEBITS	$ 1,809,861,854	$ 1,633,966,693	$ 1,478,338,033	$ 1,343,767,559	$ 1,182,612,814
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 142,484,495	$ 128,382,435	$ 122,032,115	$ 109,966,355	$ 95,199,545
39	PREFERRED STOCK ISSUED	114,547,500	144,187,500	144,187,500	145,000,000	145,000,000
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	330,575,694	287,771,904	274,591,452	243,717,532	217,235,371
43	OTHER PAID-IN CAPITAL	376,357	102,139	102,139	-	-
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	12,359,142-	11,340,117-	11,466,987-	10,782,749-	10,060,523-
46	RETAINED EARNINGS	216,794,787	179,675,826	153,142,070	119,799,019	104,831,721
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-
48	REACQUIRED CAPITAL STOCK	-	-	-	-	-
49	TOTAL PROPRIETARY CAPITAL	792,419,691	728,779,687	682,588,289	607,700,757	552,206,114
50	BONDS (LESS BONDS REACQUIRED)	676,500,000	636,500,000	611,500,000	541,167,000	486,667,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	91,900,000	51,700,000	-	-	-
53	NET UNAMORTIZED PREMIUM + DISCOUNT	139,341-	181,583-	217,792-	254,001-	158,658-
54	TOTAL LONG TERM DEBT	768,260,659	688,018,417	611,282,208	540,912,999	486,508,342
55	NOTES PAYABLE	-	-	-	40,000,000	-
56	ACCOUNTS PAYABLE	44,268,476	43,472,318	54,134,270	34,334,083	39,738,061
57	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
58	CUSTOMER DEPOSITS	1,600,350	1,282,157	765,656	627,821	616,757
59	TAXES ACCRUED	1,299,052	7,308,458	4,501,420	6,464,883	3,339,482
60	INTEREST ACCRUED	14,584,970	13,276,409	12,862,581	14,266,974	13,980,233
61	DIVIDENDS DECLARED	17,718,413	16,849,210	59,923	92,510	82,651
62	TAX COLLECTIONS PAYABLE	1,480,388	1,199,983	1,234,167	1,170,693	1,227,116
63	OTHER CURRENT AND ACCRUED LIABILITIES	7,958,557	7,064,370	7,254,679	12,350,990	8,406,454
64	TOTAL CURRENT AND ACCRUED LIABILITIES	88,910,206	90,432,905	80,812,698	109,306,954	67,389,754
65	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	2,000	4,000	6,000
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	76,011,458	66,052,852	37,241,053	24,923,141	19,010,129
68	OTHER DEFERRED CREDITS	22,453,671	11,582,502	16,671,817	11,424,915	20,978,840
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	-	-	-	-	-
70	LIBERALIZED DEPRECIATION	41,178,286	33,009,605	24,052,649	19,206,360	15,542,441
71	OTHER	19,325,619	14,704,522	24,522,940	29,690,827	20,480,172
72	TOTAL DEFERRED CREDITS	158,969,034	125,329,481	102,490,454	85,249,243	76,017,582
73	PROPERTY INSURANCE RESERVE	463,115	288,583	104,472	3,222	3,222
74	INJURIES AND DAMAGE RESERVES	839,149	1,117,620	1,059,914	594,384	487,800
75	PENSION AND BENEFITS RESERVE	-	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	1,302,264	1,406,203	1,164,386	597,606	491,022
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,809,861,854	$ 1,633,966,693	$ 1,478,338,033	$ 1,343,767,559	$ 1,182,612,814

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

ROCHESTER GAS AND ELECTRIC CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 269,561,412 $	291,628,265 $	276,357,535 $	253,233,140 $	209,114,903	1
OPERATION AND MAINTENANCE EXPENSE	215,229,322	228,989,362	228,120,374	202,945,953	160,929,224	2
DEPRECIATION EXPENSE	7,700,458	7,377,226	6,631,685	6,287,386	5,966,526	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	23,116,119	23,797,637	22,187,197	20,328,305	17,350,038	5
INCOME TAXES	4,150,456	11,461,024	4,364,146	3,361,735	5,341,249	6
PROVISION FOR DEFERRED INCOME TAXES	4,413,170	3,789,152	3,505,106	5,612,999	3,187,918	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	2,680,450-	5,050,940-	4,024,357-	2,026,980-	2,544,217-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	251,929,072	270,363,461	260,784,151	236,509,398	190,230,738	12
NET OPERATING REVENUES	17,632,340	21,264,804	15,573,384	16,723,742	18,884,165	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	17,632,340	21,264,804	15,573,384	16,723,742	18,884,165	15
OTHER UTILITY OPERATING INCOME	101,621,686	87,799,673	83,250,976	68,345,700	60,457,596	16
TOTAL UTILITY OPERATING INCOME	119,254,026	109,064,477	98,824,360	85,069,442	79,341,761	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	397-	-	1,320	8,893-	2,339-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	-	-	15,329	26,559	9,128	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	-	-	-	-	1,034,759-	21
INTEREST AND DIVIDEND INCOME	5,099,938	2,637,144	2,394,727	1,518,434	653,681	22
ALLOWANCE FOR CONSTRUCTION FUNDS	52,732,548	46,522,889	36,091,814	28,715,430	21,110,341	23
MISCELLANEOUS NONOPERATING INCOME	306,575-	1,158,391-	332,095	321,825	2,276	24
GAIN ON DISPOSITION OF PROPERTY	10,686	24,083	15,270	32,901	511	25
TOTAL OTHER INCOME	57,536,177	48,025,725	38,850,555	30,606,256	20,738,839	26
TOTAL INCOME	176,790,203	157,090,202	137,674,915	115,675,698	100,080,600	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	70,541	83,082	122,988	87,944	57,257	28
INCOME TAXES-NONOPERATING	13,344,232-	13,355,508-	9,724,205-	8,486,922-	9,046,590-	29
LOSS ON DISPOSITION OF PROPERTY	8,177,216	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	283,684	378,420	378,420	378,420	378,420	31
MISCELLANEOUS INCOME DEDUCTIONS	534,325	779,774	904,566	868,579	1,383,096	32
TOTAL INCOME DEDUCTIONS	4,278,466-	12,114,232-	8,318,231-	7,151,979-	7,227,817-	33
INCOME BEFORE INTEREST CHARGES	181,068,669	169,204,434	145,993,146	122,827,677	107,308,417	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	70,372,960	63,103,063	56,760,888	48,327,328	38,020,016	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	833,145	750,386	670,573	519,235	340,736	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	33,617-	39,651-	39,651-	40,473-	41,625-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	1,427,700	1,772,539	2,353,501	3,981,897	3,676,061	39
TOTAL INTEREST CHARGES	72,600,188	65,586,337	59,745,311	52,787,987	41,995,188	40
INCOME BEFORE EXTRAORDINARY ITEMS	108,468,481	103,618,097	86,247,835	70,039,690	65,313,229	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 108,468,481 $	103,618,097 $	86,247,835 $	70,039,690 $	65,313,229	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 179,633,479 $	153,099,723 $	119,756,672 $	104,789,374 $	82,787,832	47
BALANCE TRANSFERRED FROM INCOME	108,468,481	103,618,097	86,247,835	70,039,690	66,452,435	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	9,467,448	12,212,814	10,514,708	10,538,000	10,538,000	50
-COMMON STOCK	61,882,072	64,871,527	42,390,076	44,534,392	35,578,922	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	1,666,029	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	216,752,440	179,633,479	153,099,723	119,756,672	104,789,374	53
APPROPRIATED RETAINED EARNINGS	42,347	42,347	42,347	42,347	42,347	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 216,794,787 $	179,675,826 $	153,142,070 $	119,799,019 $	104,831,721	56
SELECTED BALANCE SHEET RELATIONSHIPS						
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	0.88	0.77	0.77	0.80	0.91	57
OTHER UTILITY PLT./DOLLAR OF OTHER REVENUE	3.73	3.29	2.97	2.99	2.90	58
TOTAL UTILITY PLT./DOLLAR OF TOTAL REVENUE	2.71	2.35	2.17	2.17	2.22	59
CURRENT ASSETS / BY CURRENT LIABILITIES	1.62	1.67	1.68	1.14	1.57	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	49.2	48.5	47.2	47.0	46.8	61
PREFERRED STOCK	7.3	10.1	11.1	12.6	13.9	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	29.5	28.5	29.7	29.8	29.1	63
RETAINED EARNINGS	13.8	12.6	11.8	10.4	10.0	64
LONG-TERM DEBT % OF GROSS UTILITY PLANT	35.6	35.3	35.2	34.9	34.2	65
% OF NET UTILITY PLANT	48.5	48.5	48.9	48.7	47.1	66
ACCUM PROVISION FOR DEPR. % OF UTILITY PLT	28.7	27.2	28.0	28.2	27.4	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES % OF TOTAL OPERATING REVENUES	35.6	37.2	36.5	37.1	34.2	68
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	79.8	78.5	82.5	80.1	76.9	69
GAS DEPRECIATION AND AMORTIZATION	2.8	2.5	2.3	2.4	2.8	70
TOTAL INCOME TAXES-GAS, OPERATING	2.1	3.4	1.3	2.7	2.8	71
OTHER TAXES-GAS, OPERATING	8.5	8.1	8.0	8.0	8.2	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL GAS OPERATING EXPENSE	93.4	92.7	94.3	93.3	90.9	74
GAS OPERATING INCOME	6.5	7.2	5.6	6.6	9.0	75
GAS DEPR. AND AMORT. % OF GAS UTILITY PLT	3.2	3.2	3.0	3.0	3.0	76
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	9.6	8.4	7.9	7.7	6.9	77
PRETAX INTEREST COVERAGE	3.1	3.3	2.9	2.6	2.8	78
NET INCOME-PERCENT OF OPERATING REVENUES	14.3	13.2	11.4	10.2	10.7	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	1.2	1.5	1.3	1.5	1.7	80
TIMES EARNED	11.5	8.5	8.2	6.6	6.2	81
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	8.1	8.2	5.6	8.5	5.8	82
% OF EARNINGS AVAILABLE FOR COMMON	62.5	70.9	55.9	74.8	64.9	83
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	15.6	16.2	15.1	13.6	14.0	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	9.8	11.5	8.4	10.2	9.1	85

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MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ROCHESTER GAS AND ELECTRIC CORPORATION

LINE NO		1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 108,468,481	$ 103,618,097	$ 88,247,835	$ 70,039,690	$ 65,313,229
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	65,849,398	59,294,449	57,795,985	53,752,322	56,683,094
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	27,535,227	28,203,456	22,460,219	14,110,446	6,172,981
4	INTEREST CAPITALIZED	52,732,548-	46,522,889-	38,091,814-	28,715,430-	21,110,341-
5	OTHER (NET)	9,281,421-	11,390,108	17,274,526	2,611,819-	20,098,821
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	139,839,135	155,983,221	147,686,131	106,575,209	127,157,784
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	139,839,135	155,983,221	147,686,131	106,575,209	127,157,784
10	LESS DIVIDENDS PREFERRED	9,467,448	12,212,814	10,514,108	10,538,000	10,538,000
11	COMMON	61,882,072	64,871,527	42,390,076	36,109,224	28,594,193
12	NET FUNDS FROM INTERNAL SOURCES	68,489,615	78,898,880	94,781,947	59,927,985	88,025,591
	EXTERNAL SOURCES					
13	LONG TERM DEBT	50,000,000	25,000,000	100,000,000	60,500,000	50,000,000
14	PREFERRED STOCK	-	-	-		
15	COMMON STOCK	56,905,850	19,530,772	42,939,080	32,824,401	8,182,351
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	40,000,000	
17	OTHER (NET)	40,474,218	51,700,000	102,139	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	147,380,068	96,230,772	143,041,219	133,324,401	58,182,351
20	OTHER SOURCES (NET)	13,878,362	10,037,160	1,594,066	-	3,339,423
21						
22						
23	TOTAL FUNDS PROVIDED	$ 229,748,045	$ 185,166,812	$ 239,417,232	$ 193,252,386	$ 149,547,365
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	GAS PLANT	$ 12,315,238	$ 11,434,160	$ 11,493,393	$ 11,336,074	$ 13,205,246
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	-	-	-	-	-
27	OTHER	230,525,355	214,497,110	191,558,271	162,269,531	125,668,769
28	TOTAL GROSS ADDITIONS	242,840,593	225,931,270	203,051,664	173,605,605	138,874,015
29	LESS INTEREST CAPITALIZED	52,732,548	46,522,889	38,091,814	28,715,430	21,110,341
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	190,108,045	179,408,381	166,959,850	144,890,175	117,763,674
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	10,000,000	-	29,667,000	6,000,000	
32	PREFERRED STOCK	1,640,000	-	812,500		
33	REDEMPTION OF CAPITAL STOCK	-	-			
34	NET DECREASE IN SHORT TERM DEBT	-	-	40,000,000		25,300,000
35	OTHER (NET)	28,000,000	-		-	
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	39,640,000	-	70,479,500	6,000,000	25,300,000
38	OTHER USES (NET)	-	5,758,431	1,977,882	42,362,211	6,483,691
39						
40						
41	TOTAL FUNDS APPLIED	$ 229,748,045	$ 185,166,812	$ 239,417,232	$ 193,252,386	$ 149,547,365

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

ROCHESTER GAS AND ELECTRIC CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
	GAS OPERATING REVENUES					
REVENUES						
RESIDENTIAL	$ 161,681,945	$ 171,651,153	$ 162,077,679	$ 147,690,605	$ 125,134,092	1
COMMERCIAL AND INDUSTRIAL	92,404,913	103,035,557	98,187,680	91,156,164	72,741,722	2
OTHER SALES TO PUBLIC AUTHORITIES	13,525,500	15,145,053	14,335,779	12,821,283	10,377,734	3
INTERDEPARTMENTAL	-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	267,612,358	289,831,763	274,601,138	251,668,052	208,253,548	5
RESALE	-	-	-	-	-	6
TOTAL REVENUES FROM SALES OF GAS	267,612,358	289,831,763	274,601,138	251,668,052	208,253,548	7
OTHER GAS OPERATING REVENUES	1,949,054	1,796,502	1,756,397	1,565,088	861,355	8
TOTAL GAS OPERATING REVENUES	$ 269,561,412	$ 291,628,265	$ 276,357,535	$ 253,233,140	$ 209,114,903	9
GAS SALES (MCF)						
RESIDENTIAL	25,095,260	25,804,194	23,809,774	26,076,658	25,796,637	10
COMMERCIAL AND INDUSTRIAL	16,574,683	18,058,057	16,671,569	18,102,363	17,526,922	11
OTHER SALES TO PUBLIC AUTHORITIES	2,428,544	2,620,492	2,399,644	2,588,033	2,504,451	12
INTERDEPARTMENTAL	-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS	44,098,487	46,482,744	42,880,988	46,767,055	45,828,011	14
RESALE	-	-	-	-	-	15
TOTAL GAS SALES	44,098,487	46,482,744	42,880,988	46,767,055	45,828,011	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	220,908	217,583	214,578	212,161	207,708	17
COMMERCIAL AND INDUSTRIAL	16,485	16,106	15,749	15,491	15,099	18
OTHER SALES TO PUBLIC AUTHORITIES	978	973	972	991	1,029	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	238,371	234,662	231,299	228,643	223,836	21
RESALE	-	-	-	-	-	22
TOTAL CUSTOMERS	238,371	234,662	231,299	228,643	223,836	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 731.90	$ 788.90	$ 755.33	$ 696.13	$ 602.45	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	114	119	111	123	124	25
AVERAGE REVENUE PER MCF SOLD	$ 6.44	$ 6.65	$ 6.81	$ 5.66	$ 4.85	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 5,605.39	$ 6,397.34	$ 6,234.53	$ 5,884.46	$ 4,817.65	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	1,005	1,121	1,059	1,169	1,161	28
AVERAGE REVENUE PER MCF SOLD	$ 5.58	$ 5.71	$ 5.89	$ 5.04	$ 4.15	29
	GAS OPERATION AND MAINTENANCE EXPENSES					
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	-	-	-	-	-	31
NATURAL GAS						
PRODUCTION AND GATHERING	6,539	6,384	5,613	9,657	21,871	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	180,686,557	194,875,835	196,433,834	178,999,874	135,720,026	35
OTHER	5,927,744-	7,335,249-	6,767,456-	13,992,278-	7,130,217-	36
TOTAL PRODUCTION EXPENSE	174,765,352	187,546,970	189,671,991	165,017,253	128,611,680	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	-	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-	40
TRANSMISSION EXPENSES	-	-	-	-	-	41
DISTRIBUTION EXPENSES	13,572,401	13,476,074	12,870,445	13,681,325	12,561,773	42
CUSTOMER ACCOUNTS EXPENSES	7,906,794	8,611,116	8,083,689	8,377,520	5,971,895	43
SALES EXPENSES	2,177,442	2,776,798	2,473,577	1,516,556	1,169,782	44
ADMINISTRATIVE AND GENERAL EXPENSES	16,807,330	16,578,396	15,020,472	14,153,299	12,614,294	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 215,229,322	$ 228,989,382	$ 228,120,174	$ 202,945,953	$ 160,929,224	46
	GAS UTILITY PLANT*					
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 3,855	$ 3,855	$ 3,855	$ 3,855	$ 3,855	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	-	-	-	-	-	50
NATURAL GAS PLANT	136,494	151,871	150,651	150,651	153,616	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	-	-	-	-	-	54
TRANSMISSION PLANT	-	-	-	-	-	55
DISTRIBUTION PLANT	232,088,909	221,128,106	210,221,832	201,082,522	192,215,668	56
GENERAL PLANT	1,837,948	2,389,343	2,145,131	1,964,992	1,735,127	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	234,067,206	223,673,175	212,521,469	203,202,020	194,108,266	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	-	-	-	-	-	63
CONSTRUCTION WORK IN PROGRESS	4,088,841	4,281,722	6,065,226	5,012,075	3,890,434	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	238,156,047	227,954,897	218,586,695	208,214,095	197,998,700	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	70,093,929	65,107,550	60,445,848	55,527,957	50,834,878	67
NET GAS UTILITY PLANT	$ 168,062,118	$ 162,847,347	$ 158,140,847	$ 152,686,138	$ 147,163,822	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 223,673,175	$ 212,521,469	$ 203,202,020	$ 194,108,266	$ 181,145,039	69
ADDITIONS	11,957,762	12,704,403	9,981,382	9,769,260	9,790,875	70
RETIREMENTS	927,871	1,548,730	717,760	679,232	810,102	71
TRANSFERS AND ADJUSTMENTS	635,860-	3,967-	55,827	3,726	3,982,454	72
PLANT IN SERVICE END OF YEAR	$ 234,067,206	$ 223,673,175	$ 212,521,469	$ 203,202,020	$ 194,108,266	73

*EXCLUDES ALLOCATION OF COMMON PLANT

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MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

ROCHESTER GAS AND ELECTRIC CORPORATION

LINE NO	ITEM		1985		1984		1983		1982		1981
1	REVENUES	$	269,561,412	$	291,628,285	$	276,357,535	$	253,233,140	$	209,114,903
2	SALES (MCF)		44,098,487		46,482,744		42,880,988		46,787,055		45,828,011
	DOLLAR AMOUNTS										
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$	174,758,813	$	187,539,986	$	189,666,378	$	165,007,596	$	128,589,809
4	WAGES AND BENEFITS		26,115,625		25,088,091		23,849,848		23,252,880		21,768,928
5	OTHER OPERATION AND MAINTENANCE EXPENSES		14,354,884		16,383,285		14,604,148		14,685,497		10,570,489
6	DEPRECIATION AND AMORTIZATION EXPENSES		7,700,458		7,377,226		6,631,685		6,287,388		5,986,526
7	INCOME TAXES - OPERATING		5,883,176		10,199,236		3,844,895		5,347,754		5,984,350
8	OTHER TAXES - OPERATING		23,116,119		23,797,637		22,187,197		20,328,305		17,350,038
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS		8,993,329		8,846,628		8,770,841		6,732,646		5,099,453
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		1,036,454		1,444,885		1,541,388		1,017,504		1,231,181
11	EARNINGS AVAILABLE FOR COMMON EQUITY		7,602,557		10,973,311		5,260,755		9,413,592		12,551,531
12	TOTAL	$	269,561,412	$	291,628,285	$	276,357,535	$	253,233,140	$	209,114,903
	PERCENT OF REVENUES										
13	PURCHASED GAS & OTHER SUPPLY EXPENSE		64.8		64.3		68.6		65.2		61.5
14	WAGES AND BENEFITS		9.7		8.6		8.6		9.2		10.4
15	OTHER OPERATION AND MAINTENANCE EXPENSES		5.3		5.6		5.3		5.8		5.1
16	DEPRECIATION AND AMORTIZATION EXPENSES		2.9		2.5		2.4		2.5		2.9
17	INCOME TAXES - OPERATING		2.2		3.5		1.4		2.1		2.9
18	OTHER TAXES - OPERATING		8.6		8.2		8.0		8.0		8.3
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS		3.3		3.0		3.2		2.5		2.4
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		0.4		0.5		0.6		0.4		0.6
21	EARNINGS AVAILABLE FOR COMMON EQUITY		2.8		3.8		1.9		3.7		6.0
22	TOTAL		100.0		100.0		100.0		100.0		100.0
	DOLLARS PER MCF										
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$	3.96	$	4.03	$	4.42	$	3.53	$	2.81
24	WAGES AND BENEFITS		0.59		0.54		0.56		0.50		0.48
25	OTHER OPERATION AND MAINTENANCE EXPENSES		0.33		0.35		0.34		0.31		0.23
26	DEPRECIATION AND AMORTIZATION EXPENSES		0.17		0.16		0.15		0.13		0.13
27	INCOME TAXES - OPERATING		0.13		0.22		0.09		0.11		0.13
28	OTHER TAXES - OPERATING		0.52		0.51		0.52		0.43		0.38
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS		0.20		0.19		0.20		0.13		0.11
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		0.02		0.03		0.04		0.02		0.03
31	EARNINGS AVAILABLE FOR COMMON EQUITY		0.17		0.24		0.12		0.20		0.27
32	TOTAL	$	6.11	$	6.27	$	6.44	$	5.41	$	4.56
33	*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31 - STATED AS PERCENTS		10.97		11.85		13.05		14.23		14.74

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MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

ST LAWRENCE GAS COMPANY, INC

LINE NO	ITEM	1985	1984	1983	1982	1981
			ASSETS AND OTHER DEBITS			
1	GAS UTILITY PLANT	$ 12,065,068	$ 11,812,242	$ 11,657,059	$ 11,446,573	$ 11,239,676
2	ACCUM PROVISION FOR DEPR AND AMORT	4,272,254	3,967,370	3,641,530	3,317,281	3,014,374
3	NET GAS UTILITY PLANT	7,792,814	7,844,872	8,015,529	8,129,292	8,225,302
4	OTHER UTILITY PLANT	-	-	-	-	-
5	ACCUM PROVISION FOR DEPR AND AMORT	-	-	-	-	-
6	NET OTHER UTILITY PLANT	-	-	-	-	-
7	TOTAL UTILITY PLANT	12,065,068	11,812,242	11,657,059	11,446,573	11,239,676
8	ACCUM PROVISION FOR DEPR AND AMORT	4,272,254	3,967,370	3,641,530	3,317,281	3,014,374
9	NET TOTAL UTILITY PLANT	7,792,814	7,844,872	8,015,529	8,129,292	8,225,302
10	NONUTILITY PROPERTY LESS ACCUM PROV FOR DEPRECIATION AND AMORTIZATION	1,281,023	1,192,538	1,120,968	1,008,435	932,861
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	26,382	19,872	20,571	20,663	21,213
13	OTHER INVESTMENTS		-	-	-	-
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	1,307,405	1,212,410	1,141,539	1,029,098	954,074
16	CASH	367,381	773,950	58,400	28,613	90,547
17	SPECIAL DEPOSITS	1,300	1,300	1,300	1,300	1,300
18	WORKING FUNDS	2,177	2,077	2,177	2,227	2,227
19	TEMPORARY CASH INVESTMENTS	1,633,000	1,683,000	1,163,000	-	-
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	3,926,470	3,509,708	3,850,814	2,888,463	3,302,520
21	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
22	MATERIALS AND SUPPLIES	146,047	143,193	138,336	148,053	148,506
23	GAS STORED UNDERGROUND-CURRENT	-	-	-	-	-
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	206,732	187,680	188,480	166,609	158,084
26	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
27	TOTAL CURRENT AND ACCRUED ASSETS	6,283,007	6,300,908	5,400,507	3,235,265	3,701,184
28	UNAMORTIZED DEBT EXPENSE	12,757	17,857	22,959	28,061	33,162
29	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
30	PREL SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
31	CLEARING ACCOUNTS	-	-	-	-	-
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	-	-	-	-	-
34	ACCUMULATED DEFERRED INCOME TAXES	236,091	390,243	252,866	71,095	50,210
35	OTHER DEFERRED DEBITS	247,880-	671,351-	346,727-	277,818	511,857
36	TOTAL DEFERRED DEBITS	968	263,251-	70,902-	376,974	595,229
37	TOTAL ASSETS AND OTHER DEBITS	$ 15,384,274	$ 15,094,939	$ 14,486,673	$ 12,770,629	$ 13,475,789
			LIABILITIES AND OTHER CREDITS			
38	COMMON STOCK ISSUED	$ 4,350,000	$ 4,350,000	$ 4,350,000	$ 4,350,000	$ 4,350,000
39	PREFERRED STOCK ISSUED	-	-	-	-	-
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
43	OTHER PAID-IN CAPITAL	-	-	-	-	-
44	INSTALLMENTS REC D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	-	-	-	-	-
46	RETAINED EARNINGS	2,961,704	2,545,984	1,731,459	1,167,510	919,599
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	5,646-	2,578-	1,879-	1,787-	1,237-
48	REACQUIRED CAPITAL STOCK	-	-	-	-	-
49	TOTAL PROPRIETARY CAPITAL	7,306,058	6,893,406	6,079,580	5,515,723	5,268,362
50	BONDS (LESS BONDS REACQUIRED)	1,632,000	1,704,000	1,776,000	1,848,000	1,920,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
53	NET UNAMORTIZED PREMIUM - DISCOUNT	-	-	-	-	-
54	TOTAL LONG TERM DEBT	3,132,000	3,204,000	3,276,000	3,348,000	3,420,000
55	NOTES PAYABLE	-	-	-	190,863	485,732
56	ACCOUNTS PAYABLE	56,795	67,654	60,809	62,035	97,332
57	PAYABLES TO ASSOCIATED COMPANIES	3,559,159	3,565,056	3,791,236	2,883,251	3,054,862
58	CUSTOMER DEPOSITS	87,677	182,422	90,250	77,072	108,140
59	TAXES ACCRUED	61,884-	100,647	137,904	254,730-	155,923
60	INTEREST ACCRUED	34,129	33,595	32,054	32,530	33,344
61	DIVIDENDS DECLARED	108,750	-	-	-	-
62	TAX COLLECTIONS PAYABLE	-	-	-	-	-
63	OTHER CURRENT AND ACCRUED LIABILITIES	59,931	60,054	75,219	71,584	62,841
64	TOTAL CURRENT AND ACCRUED LIABILITIES	3,844,557	3,909,428	4,187,472	3,062,585	3,998,174
65	CUSTOMER ADVANCES FOR CONSTRUCTION	31,392	67,592	118,818	18,818	-
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM DEFERRED INVESTMENT TAX CREDITS	314,488	290,550	264,571	254,400	217,660
68	OTHER DEFERRED CREDITS	-	-	-	-	-
	ACCUMULATED DEFERRED INCOME TAXES.					
69	ACCELERATED AMORTIZATION	-	-	-	-	-
70	LIBERALIZED DEPRECIATION	567,486	512,688	443,722	369,488	300,221
71	OTHER	62,857	2,275	550	97,655	181,412
72	TOTAL DEFERRED CREDITS	976,223	873,105	827,661	740,361	699,293
73	PROPERTY INSURANCE RESERVE	-	-	-	-	-
74	INJURIES AND DAMAGE RESERVES	125,000	125,000	115,960	103,960	91,960
75	PENSION AND BENEFITS RESERVE	436	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	125,436	125,000	115,960	103,960	91,960
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 15,384,274	$ 15,094,939	$ 14,486,673	$ 12,770,629	$ 13,475,789

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

ST. LAWRENCE GAS COMPANY, INC

ITEM	1985	1984	1983	1982	1981	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES $	36,862,813 $	38,048,775 $	33,268,372 $	32,545,694 $	35,503,037	1
OPERATION AND MAINTENANCE EXPENSE	32,692,801	33,450,149	29,387,086	29,268,733	32,169,773	2
DEPRECIATION EXPENSE	354,497	386,068	311,375	305,142	277,802	3
AMORTIZATION	10,087	9,834	9,960	11,494	920	4
TAXES OTHER THAN INCOME TAXES	2,120,281	2,179,796	1,989,117	1,934,487	1,959,466	5
INCOME TAXES	382,080	864,487	802,194	350,752	396,487	6
PROVISION FOR DEFERRED INCOME TAXES	519,757	180,779	121,020	167,742	239,082	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	288,935-	257,575-	345,424-	217,817-	279,606-	8
MISC. ADJUSTMENTS OF INCOME TAXES	4,740	4,739	4,740	8,512-	8,532-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	35,817,268	36,773,277	32,280,037	31,812,021	34,755,372	12
NET OPERATING REVENUES	1,045,545	1,275,498	988,335	733,673	747,665	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	1,045,545	1,275,498	988,335	733,673	747,665	15
OTHER UTILITY OPERATING INCOME	-	-	-	-	-	16
TOTAL UTILITY OPERATING INCOME	1,045,545	1,275,498	988,335	733,673	747,665	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	191,438	207,705	233,167	218,120	213,548	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	3,068-	699-	92-	550-	413-	21
INTEREST AND DIVIDEND INCOME	200,615	297,879	116,179	56,950	120,290	22
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	23
MISCELLANEOUS NONOPERATING INCOME	-	-	-	-	-	24
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	25
TOTAL OTHER INCOME	388,983	504,885	349,254	274,520	333,425	26
TOTAL INCOME	1,434,528	1,780,383	1,337,589	1,008,193	1,081,090	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	10,384	14,141	6,802	3,716	6,041	28
INCOME TAXES-NONOPERATING	192,920	236,719	176,143	123,532	179,373	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	6,625	6,500	7,500	4,500	3,400	32
TOTAL INCOME DEDUCTIONS	209,929	257,360	190,445	131,748	188,814	33
INCOME BEFORE INTEREST CHARGES	1,224,599	1,523,023	1,147,144	876,445	892,276	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	207,570	211,350	215,130	218,910	222,690	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	5,101	5,102	5,102	5,102	5,102	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	55,526	57,745	15,055	57,072	42,641	39
TOTAL INTEREST CHARGES	268,197	274,197	235,287	281,084	270,433	40
INCOME BEFORE EXTRAORDINARY ITEMS	956,402	1,248,826	911,857	595,361	621,843	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME $	956,402 $	1,248,826 $	911,857 $	595,361 $	621,843	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR $	2,545,984 $	1,731,459 $	1,167,510 $	919,599 $	2,645,343	47
BALANCE TRANSFERRED FROM INCOME	959,470	1,249,525	911,949	595,311	622,256	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	50
-COMMON STOCK	543,750	435,000	348,000	348,000	2,348,000	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,961,704	2,545,984	1,731,459	1,167,510	919,599	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	5,646-	2,576-	1,879-	1,787-	1,237-	55
TOTAL RETAINED EARNINGS END OF YEAR $	2,956,058 $	2,543,408 $	1,729,580 $	1,165,723 $	918,362	56
SELECTED BALANCE SHEET RELATIONSHIPS						
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	0.32	0.31	0.35	0.35	0.31	57
OTHER UTILITY PLT /DOLLAR OF OTHER REVENUE	-	-	-	-	-	58
TOTAL UTILITY PLT /DOLLAR OF TOTAL REVENUE	0.32	0.31	0.35	0.35	0.31	59
CURRENT ASSETS / BY CURRENT LIABILITIES	1.63	1.58	1.29	1.06	0.93	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	30.0	31.7	35.0	37.7	39.3	61
PREFERRED STOCK	-	-	-	-	-	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	41.6	43.0	46.4	49.0	50.0	63
RETAINED EARNINGS	28.3	25.2	18.5	13.1	10.5	64
LONG-TERM DEBT % OF GROSS UTILITY PLANT	25.9	27.1	28.1	29.2	30.4	65
% OF NET UTILITY PLANT	40.1	40.8	40.8	41.1	41.5	66
ACCUM PROVISION FOR DEPR. % OF UTILITY PLT	35.4	33.5	31.2	28.9	26.8	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES % OF TOTAL OPERATING REVENUES	100.0	100.0	100.0	100.0	100.0	68
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	88.6	87.9	88.3	89.9	90.6	69
GAS DEPRECIATION AND AMORTIZATION	0.9	0.9	0.9	0.9	0.7	70
TOTAL INCOME TAXES-GAS, OPERATING	1.7	2.0	1.7	0.8	0.9	71
OTHER TAXES-GAS, OPERATING	5.7	5.7	5.9	5.9	5.5	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL GAS OPERATING EXPENSE	97.1	96.6	97.0	97.7	97.8	74
GAS OPERATING INCOME	2.8	3.3	2.9	2.2	2.1	75
GAS DEPR. AND AMORT. % OF GAS UTILITY PLT	3.0	3.0	2.7	2.7	2.4	76
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	0.7	0.7	0.7	0.9	0.8	77
PRETAX INTEREST COVERAGE	7.7	9.3	8.1	4.6	5.2	78
NET INCOME-PERCENT OF OPERATING REVENUES	2.5	3.2	2.7	1.8	1.7	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	80
TIMES EARNED	-	-	-	-	-	81
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	1.4	1.1	1.0	1.0	6.6	82
% OF EARNINGS AVAILABLE FOR COMMON	56.8	34.8	38.1	58.4	377.5	83
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	13.4	19.2	15.7	11.0	10.1	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	7.6	6.7	6.0	6.4	38.2	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ST. LAWRENCE GAS COMPANY, INC.

LINE NO.		1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 956,402	$ 1,248,826	$ 911,857	$ 595,361	$ 621,843
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	523,484	516,930	432,147	433,199	383,766
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	293,470	40,707-	194,471-	1,365	11,264
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	438	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	1,773,792	1,725,049	1,149,533	1,029,925	1,016,873
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	1,773,792	1,725,049	1,149,533	1,029,925	1,016,873
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	543,750	435,000	348,000	348,000	2,348,000
12	NET FUNDS FROM INTERNAL SOURCES	1,230,042	1,290,049	801,533	681,925	1,331,127-
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	-	-	-	-	
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	485,732
18						-
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	485,732
20	OTHER SOURCES (NET)	43,434	32,104	757,547	279,499	1,417,628
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,273,476	$ 1,322,153	$ 1,559,080	$ 961,424	$ 572,233
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	GAS PLANT	$ 394,948	$ 247,367	$ 264,945	$ 273,851	$ 344,236
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	212,871	188,238	181,872	147,903	155,997
27	OTHER	-	-	-	-	-
28	TOTAL GROSS ADDITIONS	607,819	435,605	446,817	421,754	500,233
29	LESS INTEREST CAPITALIZED	-	-	-	-	-
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	607,819	435,605	446,817	421,754	500,233
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	72,000	72,000	72,000	72,000	72,000
32	PREFERRED STOCK	-	-	-	-	-
33	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	-	190,863	294,869	-
35	OTHER (NET)	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	72,000	72,000	262,863	366,869	72,000
38	OTHER USES (NET)	593,657	814,548	849,400	172,801	-
39						
40						
41	TOTAL FUNDS APPLIED	$ 1,273,476	$ 1,322,153	$ 1,559,080	$ 961,424	$ 572,233

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

ST. LAWRENCE GAS COMPANY, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO
		GAS OPERATING REVENUES				
REVENUES						
RESIDENTIAL	$ 7,464,433	$ 7,552,987	$ 7,901,761	$ 8,485,549	$ 8,347,870	1
COMMERCIAL AND INDUSTRIAL	29,354,670	30,452,301	25,323,569	23,982,671	27,148,097	2
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	3
INTERDEPARTMENTAL	-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	36,819,103	38,005,288	33,225,330	32,468,220	35,495,967	5
RESALE	-	-	-	-	-	6
TOTAL REVENUES FROM SALES OF GAS	36,819,103	38,005,288	33,225,330	32,468,220	35,495,967	7
OTHER GAS OPERATING REVENUES	43,710	43,487	43,042	77,474	7,070	8
TOTAL GAS OPERATING REVENUES	$ 36,862,813	$ 38,048,775	$ 33,268,372	$ 32,545,694	$ 35,503,037	9
GAS SALES (MCF)						
RESIDENTIAL	1,375,234	1,353,842	1,276,479	1,309,250	1,374,427	10
COMMERCIAL AND INDUSTRIAL	6,537,017	6,626,167	5,015,833	4,187,517	4,965,791	11
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	12
INTERDEPARTMENTAL	-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS	7,912,251	7,980,009	6,292,312	5,496,767	6,340,218	14
RESALE	-	-	-	-	-	15
TOTAL GAS SALES	7,912,251	7,980,009	6,292,312	5,496,767	6,340,218	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	9,556	9,408	9,272	9,166	9,087	17
COMMERCIAL AND INDUSTRIAL	1,075	1,055	1,024	1,001	996	18
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	10,631	10,463	10,296	10,167	10,083	21
RESALE	-	-	-	-	-	22
TOTAL CUSTOMERS	10,631	10,463	10,296	10,167	10,083	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 781.13	$ 802.83	$ 852.22	$ 925.76	$ 918.66	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	144	144	138	143	151	25
AVERAGE REVENUE PER MCF SOLD	$ 5.43	$ 5.58	$ 6.19	$ 6.48	$ 6.07	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 27,306.67	$ 28,864.74	$ 24,730.05	$ 23,958.71	$ 27,257.13	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	6,081	6,281	4,898	4,183	4,986	28
AVERAGE REVENUE PER MCF SOLD	$ 4.49	$ 4.60	$ 5.05	$ 5.73	$ 5.47	29
		GAS OPERATION AND MAINTENANCE EXPENSES				
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	-	-	-	-	-	31
NATURAL GAS						
PRODUCTION AND GATHERING	-	-	-	-	-	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	31,085,800	31,258,933	26,855,610	27,332,854	30,198,468	35
OTHER	322,058-	419,146	765,455	197,437	403,404	36
TOTAL PRODUCTION EXPENSE	30,763,742	31,678,079	27,621,065	27,530,291	30,601,872	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	-	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-	40
TRANSMISSION EXPENSES	-	-	-	-	-	41
DISTRIBUTION EXPENSES	704,682	671,190	629,928	586,944	557,321	42
CUSTOMER ACCOUNTS EXPENSES	308,674	300,280	286,210	290,928	264,967	43
SALES EXPENSES	110,060	113,145	105,557	129,771	129,543	44
ADMINISTRATIVE AND GENERAL EXPENSES	805,663	687,475	744,295	730,799	616,070	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 32,692,801	$ 33,450,149	$ 29,387,055	$ 29,268,733	$ 32,169,773	46
		GAS UTILITY PLANT				
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 2,262	$ 2,262	$ 2,262	$ 2,262	2,262	48
PRODUCTION PLANT-						49
MANUFACTURED GAS PLANT	-	-	-	-	-	50
NATURAL GAS PLANT	-	-	-	-	-	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	-	-	-	-	-	54
TRANSMISSION PLANT	-	-	-	-	-	55
DISTRIBUTION PLANT	11,386,269	11,182,588	11,060,146	10,847,167	10,694,686	56
GENERAL PLANT	672,602	626,123	593,558	597,146	539,650	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	12,061,133	11,810,973	11,655,966	11,446,575	11,236,598	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	-	-	-	-	-	63
CONSTRUCTION WORK IN PROGRESS	3,935	1,269	1,093	-	3,078	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	12,065,068	11,812,242	11,657,059	11,446,573	11,239,676	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	4,272,254	3,967,370	3,641,530	3,317,281	3,014,374	67
NET GAS UTILITY PLANT	$ 7,792,814	$ 7,844,872	$ 8,015,529	$ 8,129,292	$ 8,225,302	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 11,810,973	$ 11,655,966	$ 11,446,575	$ 11,236,598	10,987,022	69
ADDITIONS	379,823	247,367	263,851	281,187	347,539	70
RETIREMENTS	134,490	96,742	59,353	71,210	100,124	71
TRANSFERS AND ADJUSTMENTS	4,827	4,382	4,893	-	2,161	72
PLANT IN SERVICE END OF YEAR	$ 12,061,133	$ 11,810,973	$ 11,655,966	$ 11,446,573	11,236,598	73

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS-ENDED DECEMBER 31

ST. LAWRENCE GAS COMPANY, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 36,882,813	$ 38,048,775	$ 33,268,372	$ 32,545,694	$ 35,503,037
2	SALES (MCF)	7,912,251	7,980,008	6,292,312	5,496,767	6,340,218
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 30,783,742	$ 31,678,079	$ 27,621,066	$ 27,530,291	$ 30,601,672
4	WAGES AND BENEFITS	1,381,779	1,203,564	1,184,398	1,133,016	1,018,805
5	OTHER OPERATION AND MAINTENANCE EXPENSES	587,280	568,508	581,592	605,428	551,086
6	DEPRECIATION AND AMORTIZATION EXPENSES	384,564	384,902	321,338	316,838	276,722
7	INCOME TAXES - OPERATING	639,622	782,430	582,530	292,168	347,411
8	OTHER TAXES - OPERATING	2,120,281	2,175,798	1,988,117	1,934,487	1,959,468
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	208,197	274,197	236,287	281,084	270,433
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	777,348	1,001,301	753,048	452,580	477,232
12	TOTAL	$ 36,882,813	$ 38,048,775	$ 33,268,372	$ 32,545,694	$ 35,503,037
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	83.5	83.3	83.0	84.6	86.2
14	WAGES AND BENEFITS	3.7	3.2	3.6	3.5	2.9
15	OTHER OPERATION AND MAINTENANCE EXPENSES	1.5	1.5	1.7	1.9	1.6
16	DEPRECIATION AND AMORTIZATION EXPENSES	1.0	1.0	1.0	1.0	0.8
17	INCOME TAXES - OPERATING	1.7	2.1	1.8	0.9	1.0
18	OTHER TAXES - OPERATING	5.8	5.7	6.0	5.9	5.5
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.7	0.7	0.7	0.9	0.8
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	2.1	2.6	2.3	1.4	1.3
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.89	$ 3.97	$ 4.39	$ 5.01	$ 4.83
24	WAGES AND BENEFITS	0.17	0.15	0.19	0.21	0.16
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.07	0.07	0.09	0.11	0.09
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.05	0.05	0.05	0.06	0.04
27	INCOME TAXES - OPERATING	0.08	0.10	0.09	0.05	0.05
28	OTHER TAXES - OPERATING	0.27	0.27	0.32	0.35	0.31
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.03	0.03	0.04	0.05	0.04
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.10	0.13	0.12	0.08	0.08
32	TOTAL	$ 4.66	$ 4.77	$ 5.29	$ 5.92	$ 5.60

*THIS IS A STRAIGHT GAS COMPANY, THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY

GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

SYRACUSE SUBURBAN GAS COMPANY, INC

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 6,456,148	$ 5,996,666	$ 5,593,999	$ 5,224,195	$ 4,931,390
2	ACCUM PROVISION FOR DEPR AND AMORT	1,470,517	1,343,903	1,241,804	1,110,459	1,067,797
3	NET GAS UTILITY PLANT	4,985,631	4,652,763	4,352,195	4,113,736	3,863,593
4	OTHER UTILITY PLANT	-	-	-	-	-
5	ACCUM PROVISION FOR DEPR AND AMORT	-	-	-	-	-
6	NET OTHER UTILITY PLANT	-	-	-	-	-
7	TOTAL UTILITY PLANT	6,456,148	5,996,666	5,593,999	5,224,195	4,931,390
8	ACCUM PROVISION FOR DEPR AND AMORT	1,470,517	1,343,903	1,241,804	1,110,459	1,067,797
9	NET TOTAL UTILITY PLANT	4,985,631	4,652,763	4,352,195	4,113,736	3,863,593
10	NONUTILITY PROPERTY LESS ACCUM PROV FOR DEPRECIATION AND AMORTIZATION	-	-	-	-	-
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	-	-	-	-	-
13	OTHER INVESTMENTS	-	-	-	-	-
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	-	-	-	-	-
16	CASH	86,258	76,923	27,248	29,427	923,460
17	SPECIAL DEPOSITS	-	-	-	-	-
18	WORKING FUNDS	2,700	2,700	2,700	2,700	2,700
19	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	2,292,535	1,984,933	2,521,538	1,234,502	1,638,010
21	RECEIVABLES FROM ASSOCIATED COMPANIES	159-	780	2,888	687	74-
22	MATERIALS AND SUPPLIES	142,188	150,283	159,702	148,917	122,992
23	GAS STORED UNDERGROUND-CURRENT	-	-	-	-	-
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	154,687	132,284	122,680	110,136	105,226
26	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
27	TOTAL CURRENT AND ACCRUED ASSETS	2,678,407	2,347,983	2,836,756	1,528,368	2,793,314
28	UNAMORTIZED DEBT EXPENSE	21,825	24,415	27,004	29,594	32,184
29	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
30	PREL SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
31	CLEARING ACCOUNTS	2,923-	6,039	4,698-	2,063	1,196
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	-	-	-	-	-
34	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
35	OTHER DEFERRED DEBITS	37,673	191,630	803,014	1,001,644	35,056
36	TOTAL DEFERRED DEBITS	56,575	222,084	825,320	1,033,301	68,436
37	TOTAL ASSETS AND OTHER DEBITS	$ 7,720,613	$ 7,222,710	$ 7,814,272	$ 6,673,405	$ 6,725,343
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 420,000	$ 420,000	$ 420,000	$ 420,000	$ 420,000
39	PREFERRED STOCK ISSUED	284,225	284,225	284,225	284,225	284,225
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	3,701	3,701	3,701	3,701	3,701
43	OTHER PAID-IN CAPITAL	300	300	300	300	300
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	12,723-	12,723-	12,723-	12,723-	12,723-
46	RETAINED EARNINGS	2,142,418	1,983,506	1,468,443	1,366,860	1,488,081
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-
48	REACQUIRED CAPITAL STOCK	10,325	10,325-	10,325-	10,325-	10,325-
49	TOTAL PROPRIETARY CAPITAL	2,827,595	2,678,684	2,153,621	2,042,048	2,150,239
50	BONDS (LESS BONDS REACQUIRED)	953,334	1,046,667	1,140,000	1,150,000	1,160,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	-	-	-	-	-
53	NET UNAMORTIZED PREMIUM + DISCOUNT	-	-	-	-	-
54	TOTAL LONG TERM DEBT	953,334	1,046,667	1,140,000	1,150,000	1,160,000
55	NOTES PAYABLE	700,000	120,000	600,000	1,010,000	-
56	ACCOUNTS PAYABLE	2,178,096	2,437,899	2,983,543	1,501,710	1,875,442
57	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
58	CUSTOMER DEPOSITS	130,680	86,063	124,409	97,600	101,345
59	TAXES ACCRUED	56,298	47,775	6,039	93,178-	60,667
60	INTEREST ACCRUED	14,356	11,681	11,273	15,377	13,541
61	DIVIDENDS DECLARED	3,595	3,595	3,595	3,595	3,595
62	TAX COLLECTIONS PAYABLE	49,662	37,918	93,739	36,072	33,107
63	OTHER CURRENT AND ACCRUED LIABILITIES	400,956	290,376	483,064	656,361	1,151,265
64	TOTAL CURRENT AND ACCRUED LIABILITIES	3,533,612	3,037,297	4,245,562	3,227,537	3,256,982
65	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	-	-
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM DEFERRED INVESTMENT TAX CREDITS	223,714	320,086	134,981	113,817	98,828
68	OTHER DEFERRED CREDITS	-	-	-	-	-
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	144,415	-	-	-	-
70	LIBERALIZED DEPRECIATION	37,943	-	-	-	-
71	OTHER	-	140,008	140,008	140,004	97,314
72	TOTAL DEFERRED CREDITS	406,072	460,082	274,989	253,821	196,142
73	PROPERTY INSURANCE RESERVE	-	-	-	-	-
74	INJURIES AND DAMAGE RESERVES	-	-	-	-	-
75	PENSION AND BENEFITS RESERVE	-	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	-	-	-	-	-
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 7,720,613	$ 7,222,710	$ 7,814,272	$ 6,673,406	$ 6,725,343

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

SYRACUSE SUBURBAN GAS COMPANY, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES $	21,011,694 $	22,094,829 $	17,072,736 $	15,375,318 $	14,903,494	1
OPERATION AND MAINTENANCE EXPENSE	19,023,525	19,827,268	15,759,785	14,376,028	13,792,268	2
DEPRECIATION EXPENSE	162,579	152,540	138,372	131,310	122,480	3
AMORTIZATION	7,734	20,093	20,026	20,547	-	4
TAXES OTHER THAN INCOME TAXES	1,108,292	1,108,598	875,937	788,570	752,947	5
INCOME TAXES	311,019	69,511	1,787	-	108,349	6
PROVISION FOR DEFERRED INCOME TAXES	67,408	-	-	-	630	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	130,828-	-	-	-	-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	20,527,729	21,176,012	16,795,907	15,296,455	14,773,673	12
NET OPERATING REVENUES	483,965	918,817	276,829	78,863	129,821	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	483,965	918,817	276,829	78,863	129,821	15
OTHER UTILITY OPERATING INCOME	-	-	-	-	-	16
TOTAL UTILITY OPERATING INCOME	483,965	918,817	276,829	78,863	129,821	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	1,103	1,704	477	217	555	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	-	-	-	-	-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	-	-	-	-	-	21
INTEREST AND DIVIDEND INCOME	80,885	113,213	96,428	115,499	237,884	22
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	4,600	-	23
MISCELLANEOUS NONOPERATING INCOME	147-	147-	147-	147-	147-	24
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	25
TOTAL OTHER INCOME	81,841	114,770	96,758	120,169	238,292	26
TOTAL INCOME	565,806	1,033,587	373,587	199,032	368,113	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	28
INCOME TAXES-NONOPERATING	8,774-	185,073	21,167-	9,950	59,816	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	6,135	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	-	-	-	-	-	32
TOTAL INCOME DEDUCTIONS	8,774-	185,073	15,032-	9,950	59,816	33
INCOME BEFORE INTEREST CHARGES	574,580	848,514	388,619	189,082	308,297	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	108,816	116,477	117,792	118,352	119,240	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	2,590	2,590	2,589	2,590	2,590	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	133,883	64,003	142,285	98,951	35,677	39
TOTAL INTEREST CHARGES	243,289	183,070	262,666	219,893	157,507	40
INCOME BEFORE EXTRAORDINARY ITEMS	331,291	665,444	125,953	30,811-	150,790	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME $	331,291 $	665,444 $	125,953 $	30,811-$	150,790	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR $	1,993,506 $	1,468,443 $	1,356,870 $	1,465,061 $	1,412,652	47
BALANCE TRANSFERRED FROM INCOME	331,291	665,444	125,954	30,811-	150,790	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	14,381	14,381	14,381	14,381	14,381	50
-COMMON STOCK	168,000	126,000	-	63,000	84,000	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,142,416	1,993,506	1,468,443	1,356,869	1,465,061	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	55
TOTAL RETAINED EARNINGS END OF YEAR $	2,142,416 $	1,993,506 $	1,468,443 $	1,356,869 $	1,465,061	56
SELECTED BALANCE SHEET RELATIONSHIPS						
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	0.30	0.28	0.32	0.33	0.32	57
OTHER UTILITY PLT./DOLLAR OF OTHER REVENUE	-	-	-	-	-	58
TOTAL UTILITY PLT./DOLLAR OF TOTAL REVENUE	0.30	0.28	0.32	0.33	0.32	59
CURRENT ASSETS / BY CURRENT LIABILITIES	0.76	0.77	0.67	0.47	0.86	60
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	25.2	28.0	34.6	36.0	35.0	61
PREFERRED STOCK	7.5	7.6	8.6	8.9	8.5	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	10.6	10.7	12.1	12.5	12.1	63
RETAINED EARNINGS	56.6	53.5	44.5	42.5	44.2	64
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	14.7	17.4	20.3	22.0	23.5	65
% OF NET UTILITY PLANT	19.1	22.4	26.1	27.9	30.0	66
ACCUM.PROVISION FOR DEPR.: % OF UTILITY PLT	22.7	22.4	22.1	21.2	21.6	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	100.0	100.0	100.0	100.0	100.0	68
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	90.5	89.7	92.3	93.5	92.5	69
GAS DEPRECIATION AND AMORTIZATION	0.8	0.7	0.9	0.9	0.8	70
TOTAL INCOME TAXES-GAS, OPERATING	1.0	0.3	-	-	0.7	71
OTHER TAXES-GAS, OPERATING	5.2	5.0	5.1	4.9	5.0	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL GAS OPERATING EXPENSE	97.6	95.8	98.3	99.4	99.1	74
GAS OPERATING INCOME	2.3	4.1	1.6	0.5	0.8	75
GAS DEPR. AND AMORT.: % OF GAS UTILITY PLT	2.6	2.8	2.8	2.9	2.4	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	1.2	0.8	1.5	1.4	1.1	77
PRETAX INTEREST COVERAGE	3.3	6.0	1.4	0.9	3.0	78
NET INCOME-PERCENT OF OPERATING REVENUES	1.5	3.0	0.7	0.1-	1.0	79
DIVIDEND APPROPRIATIONS,PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	80
TIMES EARNED	23.0	46.3	8.8	2.0-	10.5	81
DIVIDEND APPROPRIATIONS,COMMON STOCK:						
PERCENT OF OPERATING REVENUES	0.7	0.6	-	0.4	0.5	82
% OF EARNINGS AVAILABLE FOR COMMON	53.0	19.3	-	139.3-	61.5	83
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	12.8	30.5	6.1	2.3-	7.4	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	6.8	5.9	-	3.4	4.5	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

SYRACUSE SUBURBAN GAS COMPANY, INC.

LINE NO		1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 331,291	$ 665,444	$ 125,953	$ 30,611-	$ 150,790
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	201,668	187,568	162,414	133,800	151,154
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	53,990-	185,073	21,187	37,764	35,794
4	INTEREST CAPITALIZED	-	-	-	4,600-	-
5	OTHER (NET)	162,919	-	443,661	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	641,888	1,038,088	753,215	136,253	337,738
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	641,888	1,038,088	753,215	136,253	337,738
10	LESS DIVIDENDS: PREFERRED	14,381	14,381	14,381	14,381	14,381
11	COMMON	168,000	126,000	-	63,000	84,000
12	NET FUNDS FROM INTERNAL SOURCES	459,508	897,705	738,834	58,871	239,357
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	580,000	-	-	1,010,000	-
17	OTHER (NET)	-	400,647	-		-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	580,000	400,647		1,010,000	-
20	OTHER SOURCES (NET)	-	-	117,737	-	250,992
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,039,508	$ 1,298,352	$ 856,571	$ 1,068,871	$ 490,349
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	GAS PLANT	$ 531,946	$ 485,547	$ 400,871	$ 308,371	$ 480,349
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	-	-	-	-	-
27	OTHER	-	-	-	-	-
28	TOTAL GROSS ADDITIONS	531,946	485,547	400,871	308,371	480,349
29	LESS INTEREST CAPITALIZED	-	-	-	4,600	-
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	531,946	485,547	400,871	303,771	480,349
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	-	93,333	10,000	10,000	-
32	PREFERRED STOCK	93,333	-	-	-	10,000
33	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	480,000	410,000	-	-
35	OTHER (NET)	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	93,333	573,333	420,000	10,000	10,000
38	OTHER USES (NET)	414,229	239,472	35,700	755,100	-
39						
40						
41	TOTAL FUNDS APPLIED	$ 1,039,508	$ 1,298,352	$ 856,571	$ 1,068,871	$ 490,349

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

SYRACUSE SUBURBAN GAS COMPANY, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO
		GAS OPERATING REVENUES				
REVENUES						
RESIDENTIAL	$ 2,269,277	$ 2,552,242	$ 2,434,680	$ 1,887,422	$ 1,576,634	1
COMMERCIAL AND INDUSTRIAL	18,672,394	19,444,671	14,546,178	13,402,822	13,266,782	2
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	32,374	3
INTERDEPARTMENTAL	-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	20,941,671	21,996,913	16,980,858	15,290,244	14,875,790	5
RESALE	32,888	49,130	42,556	39,169	-	6
TOTAL REVENUES FROM SALES OF GAS	20,974,559	22,046,043	17,023,414	15,329,413	14,875,790	7
OTHER GAS OPERATING REVENUES	37,136	48,786	49,322	45,905	27,704	8
TOTAL GAS OPERATING REVENUES	$ 21,011,695	$ 22,094,829	$ 17,072,736	$ 15,375,318	$ 14,903,494	9
GAS SALES (MCF)						
RESIDENTIAL	396,330	421,539	405,866	438,398	450,306	10
COMMERCIAL AND INDUSTRIAL	4,094,375	4,027,588	2,880,685	3,180,187	4,176,699	11
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	9,722	12
INTERDEPARTMENTAL	-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS	4,490,705	4,449,127	3,286,551	3,618,585	4,636,727	14
RESALE	7,638	11,023	9,175	9,625	-	15
TOTAL GAS SALES	4,498,343	4,460,150	3,295,726	3,628,210	4,636,727	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	3,132	3,141	3,155	3,115	3,156	17
COMMERCIAL AND INDUSTRIAL	935	914	902	882	904	18
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	1	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	4,067	4,055	4,057	3,997	4,061	21
RESALE	1	1	1	1	-	22
TOTAL CUSTOMERS	4,068	4,056	4,058	3,998	4,061	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 724.55	$ 812.56	$ 771.69	$ 605.91	$ 499.57	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	127	134	129	140	143	25
AVERAGE REVENUE PER MCF SOLD	$ 5.73	$ 6.05	$ 6.00	$ 4.31	$ 3.50	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 19,970.47	$ 21,274.26	$ 16,126.58	$ 15,195.94	$ 14,675.64	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	4,379	4,407	3,194	3,606	4,620	28
AVERAGE REVENUE PER MCF SOLD	$ 4.56	$ 4.83	$ 5.05	$ 4.21	$ 3.18	29
		GAS OPERATION AND MAINTENANCE EXPENSES				
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	-	-	-	-	-	31
NATURAL GAS						
PRODUCTION AND GATHERING	-	-	-	-	-	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	17,968,478	18,864,877	14,953,734	13,571,401	12,915,058	35
OTHER	4,844-	5,036-	4,437-	4,154-	3,459-	36
TOTAL PRODUCTION EXPENSE	17,963,634	18,859,841	14,949,297	13,567,247	12,911,599	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	-	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-	40
TRANSMISSION EXPENSES	-	-	-	-	-	41
DISTRIBUTION EXPENSES	425,449	368,924	304,379	279,984	321,667	42
CUSTOMER ACCOUNTS EXPENSES	144,683	128,249	135,254	122,876	103,183	43
SALES EXPENSES	24,760	26,624	25,302	22,697	19,682	44
ADMINISTRATIVE AND GENERAL EXPENSES	464,999	443,629	345,553	383,224	436,137	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 19,023,525	$ 19,827,268	$ 15,759,785	$ 14,376,028	$ 13,792,268	46
		GAS UTILITY PLANT				
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	-	-	-	-	-	50
NATURAL GAS PLANT	131,778	139,543	153,164	173,189	-	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	-	-	-	-	-	54
TRANSMISSION PLANT	-	-	-	-	-	55
DISTRIBUTION PLANT	5,529,539	5,029,876	4,767,858	4,315,521	4,135,871	56
GENERAL PLANT	770,766	714,661	635,284	584,072	580,989	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	6,435,416	5,887,413	5,559,639	5,076,115	4,720,193	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	8,898	8,898	8,898	8,898	8,898	63
CONSTRUCTION WORK IN PROGRESS	11,835	100,358	25,462	139,180	202,299	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	6,456,148	5,996,668	5,593,999	5,224,195	4,931,390	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	1,470,517	1,343,903	1,241,804	1,110,459	1,067,797	67
NET GAS UTILITY PLANT	$ 4,985,631	$ 4,652,763	$ 4,352,195	$ 4,113,736	$ 3,863,593	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 5,887,413	$ 5,559,639	$ 5,078,117	$ 4,720,193	$ 4,353,429	69
ADDITIONS	633,475	445,939	534,973	481,559	480,349	70
RETIREMENTS	85,472	118,164	51,451	125,637	113,584	71
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	72
PLANT IN SERVICE END OF YEAR	$ 6,435,415	$ 5,887,412	$ 5,559,639	$ 5,076,117	$ 4,720,193	73

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

SYRACUSE SUBURBAN GAS COMPANY, INC

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 21,011,694	$ 22,094,829	$ 17,072,736	$ 15,375,318	$ 14,903,494
2	SALES (MCF)	4,498,343	4,460,150	3,295,726	3,628,210	4,636,727
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 17,963,634	$ 18,859,841	$ 14,949,297	$ 13,567,247	$ 12,911,599
4	WAGES AND BENEFITS	571,423	529,402	488,871	440,996	391,152
5	OTHER OPERATION AND MAINTENANCE EXPENSES	488,468	438,025	323,617	367,785	489,517
6	DEPRECIATION AND AMORTIZATION EXPENSES	170,313	172,833	158,297	151,857	122,480
7	INCOME TAXES - OPERATING	227,601	69,511	1,787		125,379
8	OTHER TAXES - OPERATING	1,108,292	1,108,598	875,937	768,570	752,947
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	243,289	183,070	282,966	215,293	157,507
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	14,381	14,381	14,381	14,381	14,381
11	EARNINGS AVAILABLE FOR COMMON EQUITY	226,295	721,368	218-	150,811-	47,287-
12	TOTAL	$ 21,011,694	$ 22,094,829	$ 17,072,736	$ 15,375,318	$ 14,903,494
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	85.5	85.4	87.6	88.2	86.6
14	WAGES AND BENEFITS	2.7	2.4	2.9	2.9	2.6
15	OTHER OPERATION AND MAINTENANCE EXPENSES	2.3	2.0	1.9	2.4	3.3
16	DEPRECIATION AND AMORTIZATION EXPENSES	0.8	0.8	0.9	1.0	0.8
17	INCOME TAXES - OPERATING	1.1	0.3	-	-	0.7
18	OTHER TAXES - OPERATING	5.3	5.0	5.1	5.0	5.1
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	1.2	0.8	1.5	1.4	1.1
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.1	0.1	0.1	0.1	0.1
21	EARNINGS AVAILABLE FOR COMMON EQUITY	1.1	3.3	-	1.0-	0.3-
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.99	$ 4.23	$ 4.54	$ 3.74	$ 2.78
24	WAGES AND BENEFITS	0.13	0.12	0.15	0.12	0.08
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.11	0.10	0.10	0.10	0.11
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.04	0.04	0.05	0.04	0.03
27	INCOME TAXES - OPERATING	0.05	0.02	-	-	0.03
28	OTHER TAXES - OPERATING	0.25	0.25	0.27	0.21	0.16
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.05	0.04	0.08	0.06	0.03
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.05	0.16	-	0.03-	-
32	TOTAL	$ 4.67	$ 4.95	$ 5.18	$ 4.24	$ 3.21

*THIS IS A STRAIGHT GAS COMPANY. THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY

SECTION III.

TELEPHONE SERVICE COMPANIES

Balance Sheets

Income Statements

Statements of Changes in Financial Position

Statements of Revenue, Plant, and Operation and Maintenance

Distribution of Telephone Revenues

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

ADDISON HOME TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 3,956,911	$ 3,388,156	$ 3,273,081	$ 3,209,886	$ 3,077,353
2	ACCUMULATED PROVISION FOR DEPR+AMORT	1,320,655	1,407,828	1,261,516	1,138,794	1,011,249
3	NET TELEPHONE PLANT	2,636,256	1,980,328	2,011,565	2,071,092	2,066,104
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	-	-	-	-	-
9	CASH AND WORKING FUNDS	7,794	8,500	18,351	3,315	11,306
10	SPECIAL CASH DEPOSITS	50	50	50	50	50
11	TEMPORARY CASH INVESTMENTS	82,585	462,462	403,838	442,894	330,316
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	790	-	3,058	2,694	2,564
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	172,197	118,922	13,434	35,243	30,168
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	142,608	109,413	138,289	98,695	95,731
15	MATERIALS AND SUPPLIES*	33,953	75,414	37,770	22,737	29,445
16	PREPAYMENTS	49,403	48,052	82,688	43,130	61,392
17	OTHER CURRENT AND ACCRUED ASSETS	415,221	354,287	287,838	245,554	209,192
18	TOTAL CURRENT AND ACCRUED ASSETS	904,581	1,127,700	985,316	894,312	772,554
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	22,202	23,318	24,434	25,549	26,565
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	-	-	2,173	928	8,004
23	TOTAL DEFERRED DEBITS	22,202	23,318	26,607	26,477	34,569
24	TOTAL ASSETS AND OTHER DEBITS	3,563,039 $	3,131,346 $	3,023,488 $	2,991,881 $	2,873,227
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 243,000	$ 243,000	$ 243,000	$ 243,000	$ 243,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	21,000	21,000	21,000	21,000	21,000
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	780,445	659,955	602,073	604,000	506,534
34	TOTAL PROPRIETARY CAPITAL	1,044,445	923,955	866,073	868,000	770,534
35	BONDS(LESS BONDS REACQUIRED)	1,682,168	1,613,351	1,666,124	1,717,495	1,764,439
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	1,682,168	1,613,351	1,666,124	1,717,495	1,764,439
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	33,982	28,269	12,667	17,346	10,039
40	OTHER NOTES AND ACCOUNTS PAYABLE	302,111	186,299	147,008	50,832	69,750
41	CUSTOMERS' DEPOSITS	-	10,195	10,100	10,365	3,430
42	ADVANCE BILLING AND PAYMENTS	32,634	28,823	27,314	21,631	27,200
43	TAXES ACCRUED	3,783	2,320	6,789	7,899	4,812
44	OTHER CURRENT AND ACCRUED LIABILITIES	34,109	43,968	45,647	70,157	45,011
45	TOTAL CURRENT AND ACCRUED LIABILITIES	406,829	298,874	246,520	184,230	160,242
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	160,855	107,984	104,101	103,780	79,632
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	160,855	107,984	104,101	103,780	79,632
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	207,542	187,182	138,068	118,176	32,450
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,563,039 $	3,131,346 $	3,023,488 $	2,991,881 $	2,873,227
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.61	2.86	2.60	2.72	2.37
54	CURRENT ASSETS/CURRENT LIABILITIES	2.22	3.77	3.99	4.85	4.95
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	61.6	63.5	65.7	66.4	69.6
56	PREFERRED STOCK	-	-	-	-	-
57	COMMON STOCK+OTHER PAID-IN CAPITAL	9.6	10.4	10.4	10.2	10.4
58	RETAINED EARNINGS	28.6	26.0	23.7	23.3	19.9
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	42.5	47.6	50.9	53.5	57.3
60	PERCENT OF NET TELEPHONE PLANT	63.8	81.4	82.8	82.9	85.3
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	33.3	41.5	38.5	35.4	32.9

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

ADDISON HOME TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES $	1,307,516 $	1,253,704 $	1,246,160 $	1,154,085 $	881,889	1
OPERATION AND MAINTENANCE EXPENSE	766,950	731,877	710,058	654,673	578,356	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	170,854	165,009	129,568	125,041	117,566	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	143,744	140,132	168,276	174,892	143,479	6
INCOME TAXES-OPERATING	8,147-	22,184	34,579	43,909	7,753	7
OPERATING INCOME TAXES DEFERRED	80,760	50,359	38,620	29,273	26,749	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	1,846-	10,029-	3,578-	-	9
TOTAL OPERATING EXPENSES	1,154,161	1,107,715	1,069,175	1,024,120	823,703	10
TOTAL TELEPHONE OPERATING INCOME	153,355	145,989	176,985	129,965	58,186	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	32,036	44,773	36,241	35,602	56,240	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	9,348	3,630	7,386	7,849	5,260	17
TOTAL OTHER INCOME	41,384	48,403	43,627	43,451	61,500	18
TOTAL INCOME	194,739	194,392	220,612	173,416	119,686	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	20,378	16,297	16,040	2,531	21
MISCELLANEOUS INCOME CHARGES	9,948	4,525	39,315	2,310-	2,348	22
TOTAL INCOME DEDUCTIONS	9,948	24,903	55,612	13,730	4,879	23
INCOME BEFORE INTEREST CHARGES	184,791	169,489	165,000	159,686	114,807	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	56,023	56,416	56,848	58,184	59,229	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	1,116	1,116	1,116	1,116	1,116	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	7,162	5,475	4,428	2,920	1,631	29
TOTAL INTEREST CHARGES	64,301	63,007	62,392	62,220	61,976	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	120,490	106,482	102,608	97,466	52,831	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	7,333-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	7,333-	-	-	35
NET INCOME $	120,490 $	106,482 $	95,273 $	97,466 $	52,831	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR $	659,955 $	602,073 $	604,000 $	506,534 $	434,983	37
BALANCE TRANSFERRED FROM INCOME	120,490	106,482	95,273	97,466	52,831	38
MISCELLANEOUS CREDITS	-	-	-	-	18,720	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	42
-COMMON STOCK	-	48,600	97,200	-	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	780,445	659,955	602,073	604,000	506,534	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR $	780,445 $	659,955 $	602,073 $	604,000 $	506,534	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	58.6	58.3	56.9	56.7	65.5	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	13.0	13.1	10.3	10.8	13.3	49
TOTAL INCOME TAXES-OPERATING	5.6	5.6	4.9	6.0	3.9	50
OTHER TAXES-OPERATING	10.9	11.1	13.5	15.1	16.2	51
TOTAL OPERATING EXPENSES	88.2	88.3	85.7	88.7	93.4	52
OPERATING INCOME	11.7	11.6	14.2	11.2	6.5	53
DEPR. AND AMORT % OF TELEPHONE PLANT	4.3	4.8	3.9	3.8	3.8	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	4.9	5.0	5.0	5.4	7.0	55
PRETAX INTEREST COVERAGE	2.9	4.1	3.8	3.8	1.4	56
NET INCOME-PERCENT OF OPERATING REVENUES	9.2	8.4	7.6	8.4	5.9	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	58
TIMES EARNED	-	-	-	-	-	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	-	3.8	7.7	-	-	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	-	45.6	102.0	-	-	61
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	12.2	11.8	10.9	11.8	7.1	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	5.4	11.2	-	-	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ADDISON HOME TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 120,490	$ 106,482	$ 95,273	$ 97,466	$ 52,831
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	188,013	181,437	148,055	140,525	132,399
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	133,631	52,397	20,813	49,944	25,676
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	-		-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	442,134	340,316	264,141	287,935	210,906
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	442,134	340,316	264,141	287,935	210,906
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	-	48,600	97,200	-	
12	NET FUNDS FROM INTERNAL SOURCES	442,134	291,716	166,941	287,935	210,906
	EXTERNAL SOURCES					
13	LONG TERM DEBT	68,817	-	-		
14	PREFERRED STOCK	-	-	-	-	
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	68,817	-	-	-	-
20	OTHER SOURCES (NET)	328,890	43,894	22,949	26,633	109,523
21						
22						
23	TOTAL FUNDS PROVIDED	$ 845,921	$ 335,610	$ 189,890	$ 314,568	$ 320,429
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 845,921	$ 156,769	$ 95,974	$ 145,692	$ 251,141
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	845,921	156,769	95,974	145,692	251,141
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	845,921	156,769	95,974	145,692	251,141
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	52,773	51,371	46,944	44,831
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	-	52,773	51,371	46,944	44,831
37	OTHER USES (NET)	-	126,068	42,545	121,932	24,457
38						
39						
40	TOTAL FUNDS APPLIED	$ 845,921	$ 335,610	$ 189,890	$ 314,568	$ 320,429

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT

YEARS ENDING DECEMBER 31

ADDISON HOME TELEPHONE COMPANY

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	347,096 $	337,973 $	332,724 $	328,745 $	328,997	1
ACCESS REVENUES		385,720					2
TOLL REVENUES		491,697	868,909	871,491	792,414	525,153	3
MISCELLANEOUS REVENUES		113,313	49,125	44,259	34,680	32,000	4
UNCOLLECTIBLE REVENUES-DR		10,310	2,303	2,314	1,754	4,261	5
TOTAL TELEPHONE OPERATING REVENUE	$	1,307,516 $	1,253,704 $	1,246,160 $	1,154,085 $	881,889	6
TELEPHONE ACCESS LINES IN SERVICE		2,679	2,607	2,579	2,563	2,563	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 131.33	$ 130.34	$ 129.41	$ 128.27	$ 128.21	8
ACCESS REVENUE		138.37					9
TOLL REVENUE		186.04	335.10	338.97	309.17	204.66	10

*YEAR END AVERAGE

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	198,894 $	196,299 $	188,886 $	104,292 $	150,523	11
DEPRECIATION + AMORTIZATION EXPENSES		170,854	165,009	129,568	125,041	117,566	12
TRAFFIC EXPENSES		62,850	52,135	10,574	13,264	12,460	13
COMMERCIAL EXPENSES		36,033	39,759	41,582	21,392	8,009	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		290,902	278,018	298,099	281,089	234,293	16
OTHER OPERATING EXPENSES		178,271	166,666	170,937	134,086	112,771	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	937,804 $	896,888 $	839,626 $	773,864 $	645,722	18
TELEPHONE UTILITY PLANT							
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	3,939,407 $	3,383,354 $	3,264,348 $	3,178,264 $	3,045,991	19
PLANT UNDER CONSTRUCTION		16,504	4,802	8,733	2,785	2,525	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-		22
PLANT ADJUSTMENTS		-	-	-	28,837	28,837	23
TOTAL TELEPHONE UTILITY PLANT		3,955,911	3,388,156	3,273,081	3,209,886	3,077,353	24
ACCUMULATED PROVISION FOR DEPR+AMORT		1,320,655	1,407,828	1,261,516	1,138,794	1,011,249	25
NET TELEPHONE PLANT	$	2,635,256 $	1,980,328 $	2,011,565 $	2,071,092 $	2,066,104	26
PLANT IN SERVICE BEGINNING OF YEAR	$	3,383,354 $	3,264,348 $	3,178,264 $	3,045,991 $	2,852,836	27
ADDITIONS		834,219	160,700	118,968	145,432	300,364	28
RETIREMENTS		278,166	41,694	32,778	13,159	107,209	29
TRANSFERS AND ADJUSTMENTS		-	-	106-	-	-	30
PLANT IN SERVICE END OF YEAR	$	3,939,407 $	3,383,354 $	3,264,348 $	3,178,264 $	3,045,991	31

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MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

ADDISON HOME TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,307,516	$ 1,253,704	$ 1,246,160	$ 1,154,085	$ 881,889
2	ACCESS LINES (AVERAGE*)	2,643	2,593	2,571	2,563	2,566
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 332,639	$ 337,157	$ 372,695	$ 265,164	$ 217,589
4	OTHER OPERATION AND MAINTENANCE EXPENSES	434,311	394,720	337,363	389,459	310,467
5	DEPRECIATION AND AMORTIZATION EXPENSES	170,854	165,009	129,568	125,041	117,666
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	72,613	70,697	61,171	69,604	34,502
8	OTHER TAXES - OPERATING	143,744	140,132	168,378	174,852	143,479
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	64,301	63,007	62,394	62,220	61,376
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	89,054	82,982	114,591	67,745	3,790-
12	TOTAL	$ 1,307,516	$ 1,253,704	$ 1,246,160	$ 1,154,085	$ 881,889
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	25.4	26.9	29.9	23.0	24.7
14	OTHER OPERATION AND MAINTENANCE EXPENSES	33.2	31.5	27.1	33.7	35.2
15	DEPRECIATION AND AMORTIZATION EXPENSES	13.1	13.2	10.4	10.8	13.3
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	5.6	5.6	4.9	6.0	3.9
18	OTHER TAXES - OPERATING	11.0	11.2	13.5	15.2	16.3
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.9	5.0	5.0	5.4	7.0
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	6.8	6.6	9.2	5.9	0.3-
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 10.49	$ 10.84	$ 12.08	$ 8.62	$ 7.07
24	OTHER OPERATION AND MAINTENANCE EXPENSES	13.69	12.69	10.93	12.66	10.08
25	DEPRECIATION AND AMORTIZATION EXPENSES	5.39	5.30	4.20	4.07	3.82
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	2.29	2.27	1.98	2.26	1.12
28	OTHER TAXES - OPERATING	4.53	4.50	5.46	5.69	4.66
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.03	2.02	2.02	2.02	2.01
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	2.81	2.67	3.71	2.20	0.11-
32	TOTAL	$ 41.23	$ 40.29	$ 40.39	$ 37.52	$ 28.64

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

ALLTEL NEW YORK, INC.

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 118,884,852	$ 111,809,182	$ 107,870,014	$ 104,058,302	$ 98,839,096
2	ACCUMULATED PROVISION FOR DEPR+AMORT	41,337,057	37,301,068	33,416,869	30,094,484	27,632,462
3	NET TELEPHONE PLANT	77,547,795	74,508,114	74,453,345	73,963,818	71,206,634
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	587,812	521,929	367,022	66,031	56,889
7	OTHER INVESTMENTS AND FUNDS	1,050,910	803,820	499,749	-	-
8	TOTAL INVESTMENTS AND FUNDS	1,638,722	1,325,749	866,771	66,031	56,889
9	CASH AND WORKING FUNDS	20,167	259,814	462,323	309,951	50,674
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	205,656	142,480	23,523	118,278	118,322
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	4,721,411	4,374,780	974,764	362,499	174,613
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	3,802,092	4,242,217	3,902,225	3,684,564	3,469,530
15	MATERIALS AND SUPPLIES*	1,102,506	1,148,573	1,035,135	524,975	502,043
16	PREPAYMENTS	679,154	758,426	763,006	660,734	662,732
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	10,530,986	10,928,290	7,160,976	5,661,001	4,977,914
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	213,250	250,731	286,152	267,586	241,977
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	118,824	315,513	446,658	324,501	218,541
23	TOTAL DEFERRED DEBITS	332,074	566,244	732,810	592,087	460,518
24	TOTAL ASSETS AND OTHER DEBITS	90,049,577	$ 87,326,397	$ 83,213,902	$ 80,282,937	$ 76,701,955
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 16,645,493	$ 16,645,493	$ 16,645,493	$ 16,645,493	$ 16,645,493
26	PREFERRED CAPITAL STOCK	4,200,000	4,450,000	4,700,000	4,950,000	5,200,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	4,548,000	4,550,605	4,548,000	4,548,000	4,548,000
32	CAPITAL STOCK EXPENSE	41,680-	46,890-	46,890-	49,495-	52,100-
33	RETAINED EARNINGS	14,049,198	12,523,283	11,501,231	10,548,987	9,697,138
34	TOTAL PROPRIETARY CAPITAL	39,401,011	38,122,491	37,347,834	36,642,985	36,038,531
35	BONDS(LESS BONDS REACQUIRED)	29,416,700	31,291,850	32,810,501	32,326,650	28,514,800
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	29,416,700	31,291,850	32,810,501	32,326,650	28,514,800
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	3,386,323	5,119,205	1,106,800	1,162,664	3,197,320
40	OTHER NOTES AND ACCOUNTS PAYABLE	3,778,903	447,697	993,944	844,595	868,151
41	CUSTOMERS' DEPOSITS	117,735	-	164,943	136,145	116,590
42	ADVANCE BILLING AND PAYMENTS	772,044	1,041,806	909,755	851,364	769,979
43	TAXES ACCRUED	542,250	512,101	18,345	313,702	571,800
44	OTHER CURRENT AND ACCRUED LIABILITIES	1,562,357	1,461,435	1,420,312	1,177,497	949,430
45	TOTAL CURRENT AND ACCRUED LIABILITIES	10,159,612	8,582,244	4,614,099	4,485,967	6,473,270
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	3,819,945	3,272,195	2,854,863	2,341,882	2,028,560
48	OTHER DEFERRED CREDITS	415,669	259,953	277,381	-	-
49	TOTAL DEFERRED CREDITS	4,035,614	3,532,148	3,132,244	2,341,882	2,028,560
50	OPERATING RESERVES	566,360	536,714	979,237	950,638	747,788
51	ACCUMULATED DEFERRED INCOME TAXES	6,470,280	5,260,950	4,329,987	3,534,815	2,899,006
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 90,049,577	$ 87,326,397	$ 83,213,902	$ 80,282,937	$ 76,701,955
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.68	2.78	2.87	2.96	3.08
54	CURRENT ASSETS/CURRENT LIABILITIES	1.04	1.27	1.55	1.26	0.77
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	42.7	45.0	46.7	46.8	44.1
56	PREFERRED STOCK	6.1	6.4	6.6	7.1	8.0
57	COMMON STOCK+OTHER PAID-IN CAPITAL	30.7	30.4	30.1	30.6	32.7
58	RETAINED EARNINGS	20.4	18.0	16.3	15.2	15.0
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	24.7	27.9	30.4	31.0	28.8
60	PERCENT OF NET TELEPHONE PLANT	37.9	41.9	44.0	43.7	40.0
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	34.7	33.3	30.9	28.9	27.9

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

ALLTEL NEW YORK, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 42,997,510 $	39,474,530 $	36,914,363 $	34,252,163 $	31,415,358	1
OPERATION AND MAINTENANCE EXPENSE	16,335,516	17,274,387	16,470,081	14,312,409	12,544,323	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	7,110,434	7,044,124	6,297,160	5,469,865	5,028,433	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	4,976,540	5,117,850	4,875,366	4,430,033	4,138,247	6
INCOME TAXES-OPERATING	4,664,376	2,609,768	1,895,129	2,434,160	2,334,717	7
OPERATING INCOME TAXES DEFERRED	1,489,909	1,329,670	1,196,096	936,386	616,624	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	284,349-	408,488-	407,044-	313,285-	284,747-	9
TOTAL OPERATING EXPENSES	34,292,426	32,967,311	30,326,788	27,269,568	24,377,597	10
TOTAL TELEPHONE OPERATING INCOME	8,705,084	6,507,219	6,587,575	6,982,595	7,038,361	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	101,852	87,228	30,229	21,976	21,660	13
ALLOWANCE FOR CONSTRUCTION FUNDS	245,825	181,229	165,955	191,232	174,255	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	4,475	101,023	127,032-	217,060	268,401	17
TOTAL OTHER INCOME	352,152	369,480	69,152	430,268	464,316	18
TOTAL INCOME	9,057,236	6,876,699	6,656,727	7,412,863	7,502,677	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	62,799	33,647	18,683	5,318	345	20
INCOME TAXES-NONOPERATING	173,738-	107,363-	157,160-	26,487-	14,947-	21
MISCELLANEOUS INCOME CHARGES	33,266	49,424	36,238	33,365	27,728	22
TOTAL INCOME DEDUCTIONS	77,673-	24,292-	102,239-	12,196	13,126	23
INCOME BEFORE INTEREST CHARGES	9,134,909	6,900,391	6,758,966	7,400,667	7,488,951	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	3,300,937	3,472,856	3,291,401	2,824,955	2,707,164	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	37,481	40,764	39,091	34,187	29,063	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	86,959	20,045	247,137	508,812	465,531	29
TOTAL INTEREST CHARGES	3,425,377	3,543,665	3,577,629	3,367,954	3,201,758	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	5,709,532	3,357,326	3,181,337	4,032,713	4,287,193	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	2,980	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	5,237-	4,284-	85,638-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	2,409-	600-	39,394-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	2,828-	704-	46,244-	-	-	35
NET INCOME	$ 5,706,704 $	3,356,622 $	3,135,093 $	4,032,713 $	4,287,193	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 12,523,283 $	11,501,233 $	10,548,987 $	9,697,138 $	8,747,036	37
BALANCE TRANSFERRED FROM INCOME	5,706,703	3,356,622	3,135,093	4,032,713	4,287,193	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	2,605	2,605	2,605	2,605	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	408,823	430,573	454,323	478,070	485,000	42
-COMMON STOCK	3,771,360	1,901,394	1,725,921	2,700,189	2,852,091	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	14,049,198	12,523,283	11,501,231	10,548,987	9,697,138	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 14,049,198 $	12,523,283 $	11,501,231 $	10,548,987 $	9,697,138	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	37.9	43.7	44.6	41.7	39.9	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	16.5	17.8	17.0	15.9	16.0	49
TOTAL INCOME TAXES-OPERATING	13.7	8.9	7.3	8.9	8.5	50
OTHER TAXES-OPERATING	11.5	12.9	13.2	12.9	13.1	51
TOTAL OPERATING EXPENSES	79.7	83.5	82.1	79.6	77.5	52
OPERATING INCOME	20.2	16.4	17.8	20.3	22.4	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.9	6.3	5.8	5.2	5.0	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	8.0	9.0	9.7	9.8	10.2	55
PRETAX INTEREST COVERAGE	4.3	2.9	2.5	3.0	3.1	56
NET INCOME-PERCENT OF OPERATING REVENUES	13.2	8.5	8.4	11.7	13.6	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.9	1.0	1.2	1.3	1.5	58
TIMES EARNED	14.0	7.8	6.9	8.4	8.8	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	8.7	4.8	4.6	7.8	9.0	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	71.1	64.9	64.3	75.9	75.0	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	15.3	8.8	8.3	11.3	12.5	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	10.9	5.7	5.3	8.6	9.3	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ALLTEL NEW YORK, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 5,706,703	$ 3,356,622	$ 3,135,093	$ 4,032,713	$ 4,287,193
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	7,129,915	7,079,545	6,290,037	5,444,256	5,233,431
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	1,567,080	1,348,295	1,308,153	949,131	780,406
4	INTEREST CAPITALIZED	245,825-	181,229-	165,955-	191,232-	174,255-
5	OTHER (NET)	230,225	220,422	197,706	184,522	
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	14,378,098	11,823,655	10,765,034	10,419,390	10,126,775
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-		-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	14,378,098	11,823,655	10,765,034	10,419,390	10,126,775
10	LESS DIVIDENDS PREFERRED	406,823	430,571	454,323	478,070	485,000
11	COMMON	3,771,360	1,901,394	1,725,921	2,700,189	2,852,091
12	NET FUNDS FROM INTERNAL SOURCES	10,199,915	9,491,690	8,584,790	7,241,131	6,789,684
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	3,500,000	5,500,000	
14	PREFERRED STOCK	-	-	-	-	
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	2,096,612	33,662	31,995	-	2,406,793
17	OTHER (NET)	-	-	-	-	
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	2,096,612	33,662	3,531,995	5,500,000	2,406,793
20	OTHER SOURCES (NET)	41,928-	427,160	711,218	752,974	713,987
21						
22						
23	TOTAL FUNDS PROVIDED	$ 12,254,599	$ 9,952,512	$ 12,828,003	$ 13,494,105	$ 9,910,464
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 10,375,274	$ 7,912,684	$ 7,996,743	$ 9,173,687	$ 9,257,677
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	10,375,274	7,912,684	7,996,743	9,173,687	9,257,677
28	LESS INTEREST CAPITALIZED	245,825	181,229	165,955	191,232	174,255
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	10,129,449	7,731,455	7,830,788	8,982,455	9,083,422
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	1,875,150	1,518,651	3,016,149	1,688,150	563,650
31	PREFERRED STOCK	250,000	250,000	250,000	250,000	
32	REDEMPTION OF CAPITAL STOCK	-	-	-		
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	1,989,566	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	2,125,150	1,768,651	3,266,149	3,927,716	563,650
37	OTHER USES (NET)	-	452,406	1,731,066	583,934	263,392
38						
39						
40	TOTAL FUNDS APPLIED	$ 12,254,599	$ 9,952,512	$ 12,828,003	$ 13,494,105	$ 9,910,464

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT

YEARS ENDING DECEMBER 31

ALLTEL NEW YORK INC

ITEM	1985	1984	1983	1982	1981	LINE NO.
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 23,954,833	$ 20,989,656	$ 18,915,557	$ 17,539,884	$ 16,278,495	1
ACCESS REVENUES	8,757,571					2
TOLL REVENUES	5,875,112	13,070,983	16,082,441	15,096,388	13,743,307	3
MISCELLANEOUS REVENUES	4,549,794	5,553,916	2,102,065	1,863,421	1,617,506	4
UNCOLLECTIBLE REVENUES-DR	139,800	140,025	185,700	247,530	221,350	5
TOTAL TELEPHONE OPERATING REVENUE	$ 42,997,510	$ 39,474,330	$ 36,914,363	$ 34,252,163	$ 31,415,958	6
TELEPHONE ACCESS LINES IN SERVICE	76,550	74,927	71,464	70,330	69,354	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 316.28	$ 286.76	$ 266.80	$ 251.14	$ 250.21	8
ACCESS REVENUE	115.63					9
TOLL REVENUE	77.57	178.58	225.84	216.15	211.32	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 6,480,307	$ 6,178,463	$ 5,935,798	$ 5,078,348	$ 4,531,203	11
DEPRECIATION + AMORTIZATION EXPENSES	7,110,434	7,044,124	6,297,160	5,469,865	5,028,433	12
TRAFFIC EXPENSES	1,619,971	1,907,659	1,587,588	1,719,801	1,658,581	13
COMMERCIAL EXPENSES	2,815,627	3,494,310	3,109,578	2,661,027	2,356,088	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	4,229,334	4,113,472	3,539,062	2,903,342	2,425,621	16
OTHER OPERATING EXPENSES	1,190,277	1,580,483	2,298,055	1,949,891	1,572,830	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 23,445,950	$ 24,318,511	$ 22,767,241	$ 19,782,274	$ 17,572,756	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 112,560,617	$ 109,124,554	$ 105,727,742	$ 102,175,889	$ 97,882,977	19
PLANT UNDER CONSTRUCTION	6,115,971	2,430,430	1,888,074	1,628,915	693,479	20
PROPERTY HELD FOR FUTURE USE	59,704	105,638	105,638	104,938	114,080	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	148,560	148,560	148,560	148,560	148,560	23
TOTAL TELEPHONE UTILITY PLANT	118,884,852	111,809,182	107,870,014	104,058,302	98,839,096	24
ACCUMULATED PROVISION FOR DEPR+AMORT	41,337,057	37,301,068	33,416,669	30,094,484	27,632,462	25
NET TELEPHONE PLANT	$ 77,547,795	$ 74,508,114	$ 74,453,345	$ 73,963,818	$ 71,206,634	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 109,124,554	$ 105,727,742	$ 102,175,889	$ 97,882,978	$ 93,517,615	27
ADDITIONS	6,669,785	7,202,281	7,431,545	8,238,250	9,230,423	28
RETIREMENTS	3,233,722	3,805,469	3,879,692	3,945,339	4,865,060	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 112,560,617	$ 109,124,554	$ 105,727,742	$ 102,175,889	$ 97,882,978	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

ALLTEL NEW YORK, INC

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 42,997,510	$ 39,474,530	$ 36,914,363	$ 34,252,163	$ 31,415,958
2	ACCESS LINES (AVERAGE*)	75,739	73,196	70,897	69,842	65,037
	DOLLAR AMOUNTS					
3	WAGES AND BENEFITS	$ 5,999,112	$ 6,736,158	$ 7,215,564	$ 6,836,663	$ 6,506,091
4	OTHER OPERATION AND MAINTENANCE EXPENSES	10,336,404	10,538,229	9,254,517	7,475,746	6,038,232
5	DEPRECIATION AND AMORTIZATION EXPENSES	7,110,434	7,044,124	6,297,160	5,469,865	5,028,433
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	5,869,936	3,530,950	2,684,181	3,057,261	2,666,594
8	OTHER TAXES - OPERATING	4,976,540	5,117,850	4,875,366	4,430,033	4,138,247
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3,357,752	3,474,067	3,562,158	3,284,003	3,129,616
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	394,117	416,284	432,503	463,919	472,105
11	EARNINGS AVAILABLE FOR COMMON EQUITY	4,953,215	2,616,868	2,592,914	3,234,673	3,436,640
12	TOTAL	$ 42,997,510	$ 39,474,530	$ 36,914,363	$ 34,252,163	$ 31,415,958
	PERCENT OF REVENUES					
13	WAGES AND BENEFITS	14.0	17.1	19.5	20.0	20.7
14	OTHER OPERATION AND MAINTENANCE EXPENSES	24.0	26.7	25.1	21.8	19.2
15	DEPRECIATION AND AMORTIZATION EXPENSES	16.5	17.8	17.1	16.0	16.0
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	13.7	8.9	7.3	8.9	8.5
18	OTHER TAXES - OPERATING	11.6	13.0	13.2	12.9	13.2
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.8	8.8	9.6	9.6	10.0
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.9	1.1	1.2	1.4	1.5
21	EARNINGS AVAILABLE FOR COMMON EQUITY	11.5	6.6	7.0	9.4	10.9
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	DOLLARS PER AVERAGE ACCESS LINE PER MONTH					
23	WAGES AND BENEFITS	$ 6.60	$ 7.67	$ 8.48	$ 8.16	$ 8.34
24	OTHER OPERATION AND MAINTENANCE EXPENSES	11.37	12.00	10.88	8.92	7.74
25	DEPRECIATION AND AMORTIZATION EXPENSES	7.82	8.02	7.40	6.53	6.44
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	6.46	4.02	3.16	3.65	3.42
28	OTHER TAXES - OPERATING	5.48	5.83	5.73	5.29	5.30
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.69	3.96	4.19	3.92	4.01
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.43	0.47	0.51	0.55	0.60
31	EARNINGS AVAILABLE FOR COMMON EQUITY	5.45	2.98	3.05	3.86	4.40
32	TOTAL	$ 47.31	$ 44.94	$ 43.39	$ 40.87	$ 40.25

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

AT&T COMMUNICATIONS OF NEW YORK, INC

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 938,214,599	$ 897,765,255	-	-	-
2	ACCUMULATED PROVISION FOR DEPR+AMORT	230,616,784	203,315,934	-	-	-
3	NET TELEPHONE PLANT	707,597,815	694,449,321	-	-	-
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	1,246,697	3,193,671	-	-	-
7	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	1,246,697	3,193,671	-	-	-
9	CASH AND WORKING FUNDS	420,381	23,694,643-	-	-	-
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	1,539,580	5,452,456	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	394,810,477	280,782,121	-	-	-
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	112,248,304	122,871,285	-	-	-
15	MATERIALS AND SUPPLIES*	1,116,712	1,146,420	-	-	-
16	PREPAYMENTS	16,288,748	644,318	-	-	-
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	526,422,212	387,201,957	-	-	-
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	-	-	-	-	-
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	356,936	203,210-	-	-	-
23	TOTAL DEFERRED DEBITS	356,936	203,210-	-	-	-
24	TOTAL ASSETS AND OTHER DEBITS	1,235,623,660	$ 1,084,641,739	-	-	-
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 1,000	$ 1,000	-	-	-
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	40,000,000	40,000,000	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	337,381,667	314,927,661	-	-	-
34	TOTAL PROPRIETARY CAPITAL	377,382,667	354,928,661	-	-	-
35	BONDS(LESS BONDS REACQUIRED)	-	-	-	-	-
36	ADVANCES FROM AFFILIATED COMPANIES	235,875,000	187,250,000	-	-	-
37	OTHER LONG-TERM DEBT	1,889,904	1,851,199	-	-	-
38	TOTAL LONG-TERM DEBT	237,764,904	189,101,199	-	-	-
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	150,297,643	241,670,067	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	233,981,014	124,862,555	-	-	-
41	CUSTOMERS' DEPOSITS	-	-	-	-	-
42	ADVANCE BILLING AND PAYMENTS	1,328,819	462,498	-	-	-
43	TAXES ACCRUED	58,980,984	14,614,823	-	-	-
44	OTHER CURRENT AND ACCRUED LIABILITIES	-	-	-	-	-
45	TOTAL CURRENT AND ACCRUED LIABILITIES	444,568,456	381,609,943	-	-	-
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	32,979,771	36,844,193	-	-	-
48	OTHER DEFERRED CREDITS	457,260	201	-	-	-
49	TOTAL DEFERRED CREDITS	33,437,031	36,844,394	-	-	-
50	OPERATING RESERVES	967,187-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	143,469,789	122,157,542	-	-	-
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,235,623,660	$ 1,084,641,739	-	-	-
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	0.49	0.50	-	-	-
54	CURRENT ASSETS/CURRENT LIABILITIES	1.18	1.01	-	-	-
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	38.6	34.7	-	-	-
56	PREFERRED STOCK	-	-	-	-	-
57	COMMON STOCK+OTHER PAID-IN CAPITAL	6.5	7.3	-	-	-
58	RETAINED EARNINGS	54.8	57.8	-	-	-
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	25.3	21.0	-	-	-
60	PERCENT OF NET TELEPHONE PLANT	33.6	27.2	-	-	-
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	24.5	22.6	-	-	-

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

AT&T COMMUNICATIONS OF NEW YORK, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,877,464,980	$ 1,756,029,767	-	-	-	1
OPERATION AND MAINTENANCE EXPENSE	1,567,240,256	1,500,292,420	-	-	-	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	64,214,052	41,705,350	-	-	-	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	107,203,473	115,219,056	-	-	-	6
INCOME TAXES-OPERATING	44,314,508	22,035,598	-	-	-	7
OPERATING INCOME TAXES DEFERRED	35,934,826	25,846,509	-	-	-	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	14,622,589-	8,558,760-	-	-	-	9
TOTAL OPERATING EXPENSES	1,804,284,533	1,696,540,171	-	-	-	10
TOTAL TELEPHONE OPERATING INCOME	73,180,427	59,489,596	-	-	-	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	47,389-	56,560	-	-	-	13
ALLOWANCE FOR CONSTRUCTION FUNDS	777,104	2,081,309	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	33-	-	-	-	-	16
MISCELLANEOUS INCOME	3,530,224	7,810	-	-	-	17
TOTAL OTHER INCOME	4,259,926	2,145,679	-	-	-	18
TOTAL INCOME	77,440,353	61,635,275	-	-	-	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	6,808	-	-	-	-	20
INCOME TAXES-NONOPERATING	61,421-	196,881-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	112,565	399,909	-	-	-	22
TOTAL INCOME DEDUCTIONS	57,952	203,028	-	-	-	23
INCOME BEFORE INTEREST CHARGES	77,382,401	61,432,247	-	-	-	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	-	-	-	-	-	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	-	-	-	-	-	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	19,634,107	17,126,123	-	-	-	29
TOTAL INTEREST CHARGES	19,634,107	17,126,123	-	-	-	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	57,748,294	44,306,124	-	-	-	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	7,940-	19,635-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	3,652-	9,032-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	4,288-	10,603-	-	-	-	35
NET INCOME	$ 57,744,006	$ 44,295,521	-	-	-	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 314,927,661	$ 293,385,352	-	-	-	37
BALANCE TRANSFERRED FROM INCOME	57,744,006	44,295,521	-	-	-	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	11,611,212	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	42
-COMMON STOCK	35,320,000	11,142,000	-	-	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	337,351,667	314,927,661	-	-	-	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 337,351,667	$ 314,927,661	-	-	-	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	83.4	85.4	-	-	-	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	3.4	2.3	-	-	-	49
TOTAL INCOME TAXES-OPERATING	3.5	2.2	-	-	-	50
OTHER TAXES-OPERATING	5.7	6.5	-	-	-	51
TOTAL OPERATING EXPENSES	96.1	96.6	-	-	-	52
OPERATING INCOME	3.8	3.3	-	-	-	53
DEPR. AND AMORT % OF TELEPHONE PLANT	6.8	4.6	-	-	-	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	1.0	1.0	-	-	-	55
PRETAX INTEREST COVERAGE	7.1	5.9	-	-	-	56
NET INCOME-PERCENT OF OPERATING REVENUES	3.0	2.5	-	-	-	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	58
TIMES EARNED	-	-	-	-	-	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	1.8	0.6	-	-	-	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	61.1	25.1	-	-	-	61
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	15.7	13.7	-	-	-	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	9.6	3.4	-	-	-	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

AT&T COMMUNICATIONS OF NEW YORK, INC.

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 57,748,294	$ 44,306,124	-	-	-
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	64,214,052	41,705,350	-	-	-
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	17,853,529	14,861,834	-	-	-
4	INTEREST CAPITALIZED	777,104-	2,081,309-	-	-	-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	139,038,771	98,791,999	-	-	-
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	4,288-	10,603-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	139,034,483	98,781,396	-	-	-
10	LESS DIVIDENDS PREFERRED	-	-	-	-	-
11	COMMON	35,320,000	11,142,000	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	103,714,483	87,639,396	-	-	-
	EXTERNAL SOURCES					
13	LONG TERM DEBT	48,663,705	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	40,000,000	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	48,663,705	40,000,000	-	-	-
20	OTHER SOURCES (NET)	-	1,677,356	-	-	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 152,378,188	$ 129,318,752	-	-	-
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 79,566,349	$ 69,979,289	-	-	-
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	79,566,349	69,979,289	-	-	-
28	LESS INTEREST CAPITALIZED	777,104	2,081,309	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	78,789,245	67,897,980	-	-	-
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	56,958,801	-	-	-
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	1,000	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	-	56,959,801	-	-	-
37	OTHER USES (NET)	73,588,943	4,458,971	-	-	-
38						
39						
40	TOTAL FUNDS APPLIED	$ 152,378,188	$ 129,318,752	-	-	-

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT

YEARS ENDING DECEMBER 31

AT&T COMMUNICATIONS OF NEW YORK, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	-	-	-	-	-	1
ACCESS REVENUES	-					2
TOLL REVENUES	1,799,445,157	1,731,414,347	-	-		3
MISCELLANEOUS REVENUES	86,477,139	62,964,451	-	-		4
UNCOLLECTIBLE REVENUES-DR	8,457,336	38,349,031	-	-		5
TOTAL TELEPHONE OPERATING REVENUE	$ 1,877,464,960	$ 1,756,029,767	-	-		6
TELEPHONE ACCESS LINES IN SERVICE**	-	-	-	-	-	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	-	-	-			8
ACCESS REVENUE	-	-	-			9
TOLL REVENUE	-	-	-			10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 82,816,380	$ 89,601,515	-	-	-	11
DEPRECIATION + AMORTIZATION EXPENSES	64,214,052	41,705,350	-	-	-	12
TRAFFIC EXPENSES	77,181,707	70,073,918	-	-	-	13
COMMERCIAL EXPENSES	248,441,839	233,515,433	-	-	-	14
ACCESS EXPENSES	971,246,888	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	66,108,660	57,688,105	-	-	-	16
OTHER OPERATING EXPENSES	121,444,781	1,049,413,449	-	-		17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,631,454,307	$ 1,541,997,770	-	-	-	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 897,869,027	$ 864,589,976	-		-	19
PLANT UNDER CONSTRUCTION	40,345,572	33,175,279	-			20
PROPERTY HELD FOR FUTURE USE	-	-	-			21
PLANT ACQUISITION ADJUSTMENTS	-	-	-		-	22
PLANT ADJUSTMENTS	-	-	-		-	23
TOTAL TELEPHONE UTILITY PLANT	938,214,599	897,765,255	-		-	24
ACCUMULATED PROVISION FOR DEPR+AMORT	230,616,784	203,315,934	-		-	25
NET TELEPHONE PLANT	$ 707,597,815	$ 694,449,321			-	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 864,589,976	$ 841,663,351	-			27
ADDITIONS	72,396,058	58,784,790	-		-	28
RETIREMENTS	39,117,005	35,858,165	-		-	29
TRANSFERS AND ADJUSTMENTS	-	-	-			30
PLANT IN SERVICE END OF YEAR	$ 897,869,027	$ 864,589,976		-	-	31

**AT&T COMMUNICATIONS OF NEW YORK, INC DOES NOT HAVE ACCESS LINES

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

AT&T COMMUNICATIONS OF NEW YORK, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,877,464,960	$ 1,756,029,767	-	-	-
2	ACCESS LINES (AVERAGE*)**	-	-	-	-	-
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 193,369,019	$ 182,246,968	-	-	-
4	OTHER OPERATION AND MAINTENANCE EXPENSES	1,373,871,236	1,318,045,452	-	-	-
5	DEPRECIATION AND AMORTIZATION EXPENSES	64,214,052	41,705,350	-	-	-
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	65,626,753	39,323,345	-	-	-
8	OTHER TAXES - OPERATING	107,203,473	115,219,056	-	-	-
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	19,634,107	17,126,123	-	-	-
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	53,546,320	42,363,473	-	-	-
12	TOTAL	$ 1,877,464,960	$ 1,756,029,767	-	-	-
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	10.3	10.4	-	-	-
14	OTHER OPERATION AND MAINTENANCE EXPENSES	73.2	75.1	-	-	-
15	DEPRECIATION AND AMORTIZATION EXPENSES	3.4	2.4	-	-	-
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	3.5	2.2	-	-	-
18	OTHER TAXES - OPERATING	5.7	6.6	-	-	-
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1.0	1.0	-	-	-
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	2.9	2.4	-	-	-
22	TOTAL	100.0	100.0	-	-	-
			DOLLARS PER AVERAGE ACCESS LINE PER MONTH			
23	WAGES AND BENEFITS	-	-	-	-	-
24	OTHER OPERATION AND MAINTENANCE EXPENSES	-	-	-	-	-
25	DEPRECIATION AND AMORTIZATION EXPENSES	-	-	-	-	-
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	-	-	-	-	-
28	OTHER TAXES - OPERATING	-	-	-	-	-
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	-	-	-	-	-
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	-	-	-	-	-
32	TOTAL	-	-	-	-	-

* YEAR END AVERAGE

**AT&T COMMUNICATIONS OF NEW YORK, INC DOES NOT HAVE ACCESS LINES

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

AUSABLE VALLEY TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 8,658,334	$ 7,898,124	$ 7,049,840	$ 6,945,613	$ 6,756,651
2	ACCUMULATED PROVISION FOR DEPR+AMORT	2,869,601	2,778,044	2,397,347	2,043,724	1,716,752
3	NET TELEPHONE PLANT	5,788,733	5,120,080	4,652,493	4,901,889	5,039,899
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	9,716	11,686	6,231	712	712
7	OTHER INVESTMENTS AND FUNDS	208,750	208,750	208,750	208,750	212,981
8	TOTAL INVESTMENTS AND FUNDS	218,466	220,436	214,981	209,462	213,693
9	CASH AND WORKING FUNDS	59,655	21,229	104,850	19,960	7,395
10	SPECIAL CASH DEPOSITS	3,801	3,801	3,801	3,801	3,801
11	TEMPORARY CASH INVESTMENTS	43,221	46,558	259,167	71,292	9,350
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	252,146	352,954	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	120,221	118,057	129,193	98,339	202,777
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	241,518	203,676	192,749	193,059	177,544
15	MATERIALS AND SUPPLIES*	97,391	75,085	66,826	64,712	69,460
16	PREPAYMENTS	46,768	45,774	89,985	40,617	38,077
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	9,285	6,853	6,730
18	TOTAL CURRENT AND ACCRUED ASSETS	864,721	867,114	855,856	498,033	515,134
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	42,876	43,875	-	29,320	30,320
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	11,031	3,773	4,834	31,146	3,362
23	TOTAL DEFERRED DEBITS	53,907	47,648	4,834	60,466	33,682
24	TOTAL ASSETS AND OTHER DEBITS	6,925,827	$ 6,255,278	$ 5,728,164	$ 5,670,450	$ 5,802,408
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 188,400	$ 188,400	$ 188,400	$ 188,400	$ 188,400
26	PREFERRED CAPITAL STOCK	275,400	275,400	275,400	275,400	275,400
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	793,268	651,902	620,038	512,103	369,548
34	TOTAL PROPRIETARY CAPITAL	1,257,068	1,115,702	1,083,838	975,903	833,348
35	BONDS(LESS BONDS REACQUIRED)	4,118,323	4,170,791	4,219,721	4,263,163	4,301,780
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	4,118,323	4,170,791	4,219,721	4,263,163	4,301,780
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	202,413	74,488	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	142,068	284,738	44,520	55,928	400,563
41	CUSTOMERS'DEPOSITS	1,450	7,800	8,241	21,376	21,421
42	ADVANCE BILLING AND PAYMENTS	-	-	-	-	-
43	TAXES ACCRUED	48,579	19,631-	8,659	7,444	4,907
44	OTHER CURRENT AND ACCRUED LIABILITIES	450,549	85,120	41,007	54,570	36,402
45	TOTAL CURRENT AND ACCRUED LIABILITIES	843,059	432,515	102,427	139,318	463,293
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	260,642	195,942	118,542	65,424	65,245
48	OTHER DEFERRED CREDITS	184,521	121,214	552	-	100
49	TOTAL DEFERRED CREDITS	445,163	317,156	119,094	65,424	65,345
50	OPERATING RESERVES	72,800	85,000	55,070	69,712	13,324
51	ACCUMULATED DEFERRED INCOME TAXES	189,414	134,114	148,014	156,930	125,318
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 6,925,827	$ 6,255,278	$ 5,728,164	$ 5,670,450	$ 5,802,408
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.87	3.03	2.94	3.07	3.69
54	CURRENT ASSETS/CURRENT LIABILITIES	1.03	2.00	8.36	3.58	1.11
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	76.6	78.8	79.5	81.3	83.7
56	PREFERRED STOCK	5.1	5.2	5.1	5.2	5.3
57	COMMON STOCK+OTHER PAID-IN CAPITAL	3.5	3.5	3.5	3.5	3.6
58	RETAINED EARNINGS	14.7	12.3	11.6	9.7	7.1
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	47.5	52.8	59.8	61.3	63.6
60	PERCENT OF NET TELEPHONE PLANT	71.1	81.4	90.6	86.9	85.3
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	33.1	35.1	34.0	29.4	25.4

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

AUSABLE VALLEY TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 2,880,952	$ 2,464,949	$ 2,384,096	$ 2,232,177	$ 1,817,033	1
OPERATION AND MAINTENANCE EXPENSE	1,405,901	1,203,302	1,197,359	1,054,391	946,132	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	437,491	431,174	427,778	392,425	258,986	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	273,179	299,425	288,165	243,987	206,202	6
INCOME TAXES-OPERATING	108,756	48,700	55,012	29,537	5,056-	7
OPERATING INCOME TAXES DEFERRED	55,300	6,000-	14,717	10,290	19,678	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	7,900-	23,633-	8,036-	7,894-	9
TOTAL OPERATING EXPENSES	2,280,627	1,968,701	1,959,398	1,722,594	1,418,048	10
TOTAL TELEPHONE OPERATING INCOME	600,325	496,248	424,698	509,583	398,985	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	4,231	12
INTEREST INCOME	30,514	51,246	14,003	4,605	2,100	13
ALLOWANCE FOR CONSTRUCTION FUNDS	13,704	9,948	4,866	6,205	23,690	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	10,253	8,093	760	-	-	17
TOTAL OTHER INCOME	54,471	69,287	19,629	10,810	30,021	18
TOTAL INCOME	654,796	565,535	444,327	520,393	429,006	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	32	33	31	-	29	20
INCOME TAXES-NONOPERATING	11,048	18,976		27	-	21
MISCELLANEOUS INCOME CHARGES	30,422	-	-	-	-	22
TOTAL INCOME DEDUCTIONS	41,502	19,009	31	27	29	23
INCOME BEFORE INTEREST CHARGES	613,294	546,526	444,296	520,366	428,977	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	290,426	294,119	297,266	300,017	302,285	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	1,000	1,000	1,000	1,000	1,000	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	553	706	1,204	29,173	46,682	29
TOTAL INTEREST CHARGES	291,979	295,825	299,470	330,189	349,967	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	321,315	250,701	144,826	190,177	79,010	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	713	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	18,767-	-	10,731-	5,763-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	18,054-	-	10,731-	5,763-	35
NET INCOME	$ 321,315	$ 232,647	$ 144,826	$ 179,446	$ 73,247	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 651,902	$ 620,038	$ 512,103	$ 369,548	$ 311,447	37
BALANCE TRANSFERRED FROM INCOME	321,315	232,647	144,826	179,446	73,247	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	81,575	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	15,147	15,147	15,147	15,147	15,147	42
-COMMON STOCK	164,802	104,061	21,744	21,744	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	793,268	651,902	620,038	512,103	369,547	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 793,268	$ 651,902	$ 620,038	$ 512,103	$ 369,548	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	48.7	48.8	50.2	47.2	52.0	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	15.1	17.4	17.9	17.5	14.2	49
TOTAL INCOME TAXES-OPERATING	5.7	1.4	1.9	1.4	0.4	50
OTHER TAXES-OPERATING	9.4	12.1	12.0	10.9	11.3	51
TOTAL OPERATING EXPENSES	79.1	79.8	82.1	77.1	78.0	52
OPERATING INCOME	20.8	20.1	17.8	22.8	21.9	53
DEPR. AND AMORT.% OF TELEPHONE PLANT	5.0	5.4	6.0	5.6	3.8	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	10.1	12.0	12.6	14.8	19.3	55
PRETAX INTEREST COVERAGE	2.7	2.0	1.6	1.7	1.2	56
NET INCOME-PERCENT OF OPERATING REVENUES	11.1	9.4	6.0	8.0	4.0	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.5	0.6	0.6	0.6	0.8	58
TIMES EARNED	21.2	15.4	9.6	11.8	4.8	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	5.7	4.2	0.9	0.9	-	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	53.8	47.8	16.7	13.2	-	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	33.6	26.3	17.1	26.1	10.9	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	18.0	12.6	2.8	3.4	-	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

AUSABLE VALLEY TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 321,315	$ 250,701	$ 144,828	$ 190,177	$ 73,248
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	440,552	434,056	429,330	393,425	259,986
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	120,000	63,500	44,202	31,791	6,696
4	INTEREST CAPITALIZED	13,704-	9,948-	4,866-	6,205-	23,690-
5	OTHER (NET):	-	-	-	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	868,163	738,309	613,492	609,188	316,240
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	18,054	-	6,500-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	868,163	756,363	613,492	602,688	316,240
10	LESS DIVIDENDS: PREFERRED	15,147	15,147	15,147	15,147	15,147
11	COMMON	164,802	104,061	21,744	21,744	-
12	NET FUNDS FROM INTERNAL SOURCES	688,214	637,155	576,601	565,797	301,093
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	240,218	-	-	167,500
17	OTHER (NET):	-	140,345	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	380,563	-	-	167,500
20	OTHER SOURCES (NET):	591,991	19,038	29,801	90,285	59,422
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,280,205	$ 1,036,756	$ 606,402	$ 656,082	$ 528,015
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 1,127,863	$ 848,284	$ 184,048	$ 288,311	$ 290,625
25	NON-UTILITY PLANT	-	-	5,519	-	-
26	OTHER	5,894	6,872	-	-	-
27	TOTAL GROSS ADDITIONS	1,133,757	855,156	189,567	288,311	290,625
28	LESS INTEREST CAPITALIZED	13,704	9,948	4,866	6,205	23,690
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,120,053	845,208	184,701	282,106	266,935
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	52,468	48,930	43,443	38,617	7,439
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	14,745	-	-	267,500	-
34	OTHER (NET)	104,145	-	-	4,231	
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	171,358	48,930	43,443	310,348	7,439
37	OTHER USES (NET):	11,206-	142,618	378,258	63,628	253,641
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,280,205	$ 1,036,756	$ 606,402	$ 656,082	$ 528,015

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

AUSABLE VALLEY TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 547,578	$ 488,768	$ 480,145	$ 463,654	$ 468,816	1
ACCESS REVENUES	-					2
TOLL REVENUES	2,315,204	1,966,301	1,890,875	1,758,781	1,303,725	3
MISCELLANEOUS REVENUES	38,170	28,880	32,113	37,333	81,946	4
UNCOLLECTIBLE REVENUES-DR	20,000	19,000	19,038	27,590	37,455	5
TOTAL TELEPHONE OPERATING REVENUE	$ 2,880,952	$ 2,464,949	$ 2,384,095	$ 2,232,178	$ 1,817,032	6
TELEPHONE ACCESS LINES IN SERVICE	4,867	4,713	4,553	4,494	4,377	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 114.32	$ 105.50	$ 106.14	$ 104.53	$ 106.97	8
ACCESS REVENUE	-					9
TOLL REVENUE	483.34	424.41	418.01	396.52	297.48	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 420,388	$ 389,393	$ 421,305	$ 340,995	$ 316,603	11
DEPRECIATION + AMORTIZATION EXPENSES	437,491	431,174	427,778	392,425	258,986	12
TRAFFIC EXPENSES	226,603	176,888	168,558	153,276	129,112	13
COMMERCIAL EXPENSES	78,876	65,013	63,681	68,940	65,824	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	374,081	304,554	273,316	264,470	261,031	16
OTHER OPERATING EXPENSES	305,953	267,454	269,898	226,710	173,562	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,843,392	$ 1,634,476	$ 1,625,136	$ 1,446,816	$ 1,205,118	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 8,622,157	$ 7,831,640	$ 6,910,372	$ 6,837,451	$ 6,637,819	19
PLANT UNDER CONSTRUCTION	32,887	63,194	136,177	109,085	119,756	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	4,214-	4,214-	22
PLANT ADJUSTMENTS	3,290	3,290	3,291	3,291	3,290	23
TOTAL TELEPHONE UTILITY PLANT	8,658,334	7,898,124	7,049,840	6,945,613	6,756,651	24
ACCUMULATED PROVISION FOR DEPR+AMORT	2,869,601	2,778,044	2,397,347	2,043,724	1,716,752	25
NET TELEPHONE PLANT	$ 5,788,733	$ 5,120,080	$ 4,652,493	$ 4,901,889	$ 5,039,899	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 7,831,640	$ 6,910,372	$ 6,837,451	$ 6,637,820	$ 6,212,925	27
ADDITIONS	1,127,864	1,081,224	156,357	307,737	629,208	28
RETIREMENTS	337,279	65,743	84,035	108,106	208,498	29
TRANSFERS AND ADJUSTMENTS	68-	94,213-	-	-	4,185	30
PLANT IN SERVICE END OF YEAR	$ 8,622,157	$ 7,831,640	$ 6,910,373	$ 6,837,451	$ 6,637,820	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

AUSABLE VALLEY TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 2,880,952	$ 2,464,949	$ 2,384,096	$ 2,232,177	$ 1,817,033
2	ACCESS LINES (AVERAGE*)	4,790	4,633	4,524	4,436	4,383
	DOLLAR AMOUNTS					
3	WAGES AND BENEFITS	$ 603,755	$ 619,995	$ 699,849	$ 602,263	$ 516,657
4	OTHER OPERATION AND MAINTENANCE EXPENSES	802,146	583,307	497,509	452,128	429,475
5	DEPRECIATION AND AMORTIZATION EXPENSES	437,491	431,174	427,778	392,425	258,986
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	164,056	34,800	46,096	31,791	6,728
8	OTHER TAXES - OPERATING	273,179	299,425	288,165	243,987	206,202
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	288,704	293,437	299,470	326,305	349,967
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	14,657	14,656	15,147	14,948	15,147
11	EARNINGS AVAILABLE FOR COMMON EQUITY	296,964	188,155	110,081	168,330	33,871
12	TOTAL	$ 2,880,952	$ 2,464,949	$ 2,384,096	$ 2,232,177	$ 1,817,033
	PERCENT OF REVENUES					
13	WAGES AND BENEFITS	21.0	25.2	29.4	27.0	28.4
14	OTHER OPERATION AND MAINTENANCE EXPENSES	27.8	23.7	20.9	20.3	23.6
15	DEPRECIATION AND AMORTIZATION EXPENSES	15.2	17.5	17.9	17.6	14.3
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	5.7	1.4	1.9	1.4	0.4
18	OTHER TAXES - OPERATING	9.5	12.1	12.1	10.9	11.3
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	10.0	11.9	12.6	14.6	19.3
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.5	0.6	0.6	0.7	0.8
21	EARNINGS AVAILABLE FOR COMMON EQUITY	10.3	7.6	4.6	7.5	1.9
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	DOLLARS PER AVERAGE ACCESS LINE PER MONTH					
23	WAGES AND BENEFITS	$ 10.50	$ 11.15	$ 12.89	$ 11.32	$ 9.82
24	OTHER OPERATION AND MAINTENANCE EXPENSES	13.96	10.49	9.17	8.49	8.17
25	DEPRECIATION AND AMORTIZATION EXPENSES	7.61	7.76	7.88	7.37	4.92
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	2.85	0.63	0.85	0.60	0.13
28	OTHER TAXES - OPERATING	4.75	5.39	5.31	4.58	3.92
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.02	5.28	5.52	6.13	6.65
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.25	0.26	0.28	0.28	0.29
31	EARNINGS AVAILABLE FOR COMMON EQUITY	5.17	3.38	2.03	3.16	0.64
32	TOTAL	$ 50.12	$ 44.34	$ 43.92	$ 41.94	$ 34.55

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

BERKSHIRE TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 5,134,277	$ 5,377,344	$ 5,287,492	$ 5,211,115	$ 5,102,159
2	ACCUMULATED PROVISION FOR DEPR+AMORT	161,135	1,645,451	1,425,498	1,178,653	1,031,860
3	NET TELEPHONE PLANT	4,973,142	3,731,893	3,861,994	4,032,462	4,070,299
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	74,610	71,618	67,889	15,698	15,698
7	OTHER INVESTMENTS AND FUNDS	170,804	170,804	170,804	170,804	158,250
8	TOTAL INVESTMENTS AND FUNDS	245,414	242,422	238,693	186,502	173,948
9	CASH AND WORKING FUNDS	135,368	47,628	73,083	163,284	91,710
10	SPECIAL CASH DEPOSITS	538,187	495,664	411,982	94,903	42,152
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	124,410	128,473	4,565	1,074	7,010
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	249,661	225,796	228,293	199,558	193,583
15	MATERIALS AND SUPPLIES*	84,559	81,814	55,631	37,119	33,519
16	PREPAYMENTS	67,659	69,829	63,463	65,679	50,734
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	7,611	3,962
18	TOTAL CURRENT AND ACCRUED ASSETS	1,199,844	1,049,204	837,017	569,228	422,670
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	17,981	12,614	13,073	13,532	13,990
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	1,862	4,433	2,796	1,332	9,336
23	TOTAL DEFERRED DEBITS	19,843	17,047	15,869	14,864	23,326
24	TOTAL ASSETS AND OTHER DEBITS	6,438,243	$ 5,040,566	$ 4,953,573	$ 4,803,056	$ 4,690,243
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 81,160	$ 81,160	$ 81,160	$ 81,160	$ 81,160
26	PREFERRED CAPITAL STOCK	122,600	130,800	130,800	130,800	130,800
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	1,262,198	1,037,162	964,811	853,936	740,633
34	TOTAL PROPRIETARY CAPITAL	1,465,958	1,249,122	1,176,771	1,065,896	952,593
35	BONDS(LESS BONDS REACQUIRED)	2,973,010	3,015,735	3,055,434	3,092,554	3,098,947
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	2,973,010	3,015,735	3,055,434	3,092,554	3,098,947
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	1,408,530	299,395	252,686	239,313	276,838
41	CUSTOMERS'DEPOSITS	3,950	7,963	7,036	5,836	5,820
42	ADVANCE BILLING AND PAYMENTS	11,830	10,081	9,984	10,536	8,100
43	TAXES ACCRUED	4,669	3,610	19,721	8,249	2,953
44	OTHER CURRENT AND ACCRUED LIABILITIES	38,629	34,753	37,420	36,296	35,599
45	TOTAL CURRENT AND ACCRUED LIABILITIES	1,467,608	355,782	326,847	300,230	329,310
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM DEFERRED INVESTMENT TAX CREDITS	130,656	93,864	100,497	90,158	76,122
48	OTHER DEFERRED CREDITS	41,964	25,782	11,222	1,568	1,176
49	TOTAL DEFERRED CREDITS	172,620	119,646	111,719	91,726	77,298
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	359,047	300,281	282,802	252,650	232,095
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 6,438,243	$ 5,040,566	$ 4,953,573	$ 4,803,056	$ 4,690,243
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.81	3.18	3.29	3.34	3.35
54	CURRENT ASSETS/CURRENT LIABILITIES	0.82	2.95	2.56	1.90	1.28
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	66.9	70.7	72.1	74.3	76.4
56	PREFERRED STOCK	2.7	3.0	3.0	3.1	3.2
57	COMMON STOCK+OTHER PAID-IN CAPITAL	1.8	1.9	1.9	1.9	2.0
58	RETAINED EARNINGS	28.4	24.3	22.7	20.5	18.2
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	57.9	56.0	57.7	59.3	60.7
60	PERCENT OF NET TELEPHONE PLANT	59.7	80.8	79.1	76.6	76.1
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	3.1	30.5	26.9	22.6	20.2

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

BERKSHIRE TELEPHONE CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,869,851	$ 1,674,565	$ 1,594,701	$ 1,543,951	$ 1,266,631	1
OPERATION AND MAINTENANCE EXPENSE	839,476	888,666	723,126	712,950	648,903	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	285,834	279,956	277,272	284,270	209,574	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	228,583	230,518	222,336	164,125	134,307	6
INCOME TAXES-OPERATING	39,828	6,633-	9,482	18,884	5,788-	7
OPERATING INCOME TAXES DEFERRED	83,630	21,707	35,161	29,395	23,918	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	24,864-	4,228-	5,009-	8,840-	1,601	9
TOTAL OPERATING EXPENSES	1,452,287	1,409,986	1,262,368	1,200,784	1,012,515	10
TOTAL TELEPHONE OPERATING INCOME	417,564	264,579	332,333	343,167	254,116	11
OTHER INCOME						
DIVIDEND INCOME	476	446	415	-	-	12
INTEREST INCOME	51,710	50,559	24,723	3,550	3,103	13
ALLOWANCE FOR CONSTRUCTION FUNDS	7,076	1,560	2,945	4,266	3,364	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	2,694-	8,307-	7,467-	196	321	16
MISCELLANEOUS INCOME	1,050-	698-	6,240-	1,515	507	17
TOTAL OTHER INCOME	55,515	43,560	14,376	9,527	7,395	18
TOTAL INCOME	473,082	308,139	346,709	352,694	261,511	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	1,220	1,131	1,352	1,178	1,293	22
TOTAL INCOME DEDUCTIONS	1,220	1,131	1,352	1,178	1,293	23
INCOME BEFORE INTEREST CHARGES	471,862	307,008	345,357	351,516	260,218	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	207,247	210,119	212,761	213,736	211,993	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	459	458	458	458	458	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	17,999	872	950	811	661	29
TOTAL INTEREST CHARGES	225,705	211,449	214,169	215,005	213,112	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	246,157	95,559	131,188	136,511	47,106	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	3,408	-	2,895	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	1,567	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	1,841	-	2,895	-	-	35
NET INCOME	$ 247,998	$ 95,559	$ 134,083	$ 136,511	$ 47,106	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 1,037,162	$ 964,811	$ 853,936	$ 740,633	$ 716,735	37
BALANCE TRANSFERRED FROM INCOME	247,998	95,559	134,083	136,511	47,106	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	7,602	7,848	7,848	7,848	7,848	42
-COMMON STOCK	15,360	15,360	15,360	15,360	15,360	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	1,262,198	1,037,162	964,811	853,936	740,633	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 1,262,198	$ 1,037,162	$ 964,811	$ 853,936	$ 740,633	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	44.8	53.0	45.3	46.1	51.2	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	15.2	16.7	17.3	18.4	16.5	49
TOTAL INCOME TAXES-OPERATING	5.3	0.6	2.5	2.6	1.6	50
OTHER TAXES-OPERATING	12.2	13.7	13.9	10.6	10.6	51
TOTAL OPERATING EXPENSES	77.6	84.2	79.1	77.7	79.9	52
OPERATING INCOME	22.3	15.7	20.8	22.2	20.0	53
DEPR. AND AMORT. % OF TELEPHONE PLANT	5.5	5.2	5.2	5.4	4.1	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	12.1	12.6	13.4	13.9	16.8	55
PRETAX INTEREST COVERAGE	2.5	1.5	1.8	1.8	1.3	56
NET INCOME-PERCENT OF OPERATING REVENUES	13.2	5.7	8.4	8.8	3.7	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.4	0.4	0.4	0.5	0.6	58
TIMES EARNED	32.6	12.2	17.1	17.4	6.0	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	0.8	0.9	0.9	0.9	1.2	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	6.3	17.5	12.1	11.9	39.1	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	19.5	8.1	12.7	14.6	4.8	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	1.2	1.4	1.5	1.7	1.8	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

BERKSHIRE TELEPHONE CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 246,157	$ 95,559	$ 131,188	$ 136,511	$ 47,106
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	317,604	292,820	291,246	294,388	218,784
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	95,558	10,846	40,491	34,591	19,731
4	INTEREST CAPITALIZED	7,076-	1,560-	2,945-	4,266-	3,364-
5	OTHER (NET)	-	14,560	9,654	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	652,243	412,225	469,634	461,224	282,257
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	1,841	-	2,895	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	654,084	412,225	472,529	461,224	282,257
10	LESS DIVIDENDS PREFERRED	7,602	7,848	7,848	7,848	7,848
11	COMMON	15,360	15,360	15,360	15,360	15,360
12	NET FUNDS FROM INTERNAL SOURCES	631,122	389,017	449,321	438,016	259,049
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	25,000	182,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	909,753	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18					-	-
19	TOTAL FUNDS FROM EXTERNAL SOURCES	909,753	-	-	25,000	182,000
20	OTHER SOURCES (NET)	55,911	4,523	11,194	356	14,404
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,596,786	$ 393,540	$ 460,515	$ 463,372	$ 455,453
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 1,531,987	$ 161,889	$ 121,389	$ 247,934	$ 249,574
25	NON-UTILITY PLANT	2,602	3,729	52,191	-	-
26	OTHER	-	-	-	-	
27	TOTAL GROSS ADDITIONS	1,534,589	165,618	173,580	247,934	249,574
28	LESS INTEREST CAPITALIZED	7,076	1,560	2,945	4,266	3,364
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,527,513	164,058	170,635	243,668	246,210
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	39,699	37,120	31,393	27,854
31	PREFERRED STOCK	8,200	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	42,724	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	50,924	39,699	37,120	31,393	27,854
37	OTHER USES (NET)	18,349	189,783	252,760	188,311	181,389
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,596,786	$ 393,540	$ 460,515	$ 463,372	$ 455,453

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT.

YEARS ENDING DECEMBER 31

BERKSHIRE TELEPHONE CORPORATION

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	393,014 $	398,670 $	391,744 $	378,541 $	360,429	1
ACCESS REVENUES		568,929					2
TOLL REVENUES		741,445	1,237,233	1,176,509	1,140,065	892,207	3
MISCELLANEOUS REVENUES		176,463	46,162	37,448	39,345	25,995	4
UNCOLLECTIBLE REVENUES-DR		10,000	5,500	11,000	12,000	12,000	5
TOTAL TELEPHONE OPERATING REVENUE	$	1,869,851 $	1,674,565 $	1,594,701 $	1,543,351 $	1,266,631	6
TELEPHONE ACCESS LINES IN SERVICE		4,250	4,105	4,004	3,653	3,490	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 94.08	$ 97.83	$ 102.32	$ 105.30	$ 103.78	8
ACCESS REVENUE		136.19					9
TOLL REVENUE		177.49	305.15	307.30	318.81	256.50	10
*YEAR END AVERAGE							
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	283,129 $	345,320 $	241,508 $	265,335 $	240,638	11
DEPRECIATION + AMORTIZATION EXPENSES		285,634	279,956	277,272	284,270	209,574	12
TRAFFIC EXPENSES		77,238	94,135	28,435	44,879	30,881	13
COMMERCIAL EXPENSES		73,039	72,372	73,262	75,233	43,446	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		253,624	227,824	202,302	181,548	188,384	16
OTHER OPERATING EXPENSES		152,446	149,015	177,319	145,955	145,554	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	1,125,110 $	1,168,622 $	1,000,398 $	997,220 $	858,477	18
TELEPHONE UTILITY PLANT							
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	5,111,993 $	5,366,354 $	5,253,373 $	5,097,362 $	5,049,083	19
PLANT UNDER CONSTRUCTION		22,284	10,990	34,119	113,753	51,076	20
PROPERTY HELD FOR FUTURE USE			-	-			21
PLANT ACQUISITION ADJUSTMENTS		-	-				22
PLANT ADJUSTMENTS		-	-				23
TOTAL TELEPHONE UTILITY PLANT		5,134,277	5,377,344	5,287,492	5,211,115	5,102,159	24
ACCUMULATED PROVISION FOR DEPR+AMORT		161,135	1,645,451	1,425,498	1,178,653	1,031,860	25
NET TELEPHONE PLANT	$	4,973,142 $	3,731,893 $	3,861,394 $	4,032,462 $	4,070,299	26
PLANT IN SERVICE BEGINNING OF YEAR	$	5,366,354 $	5,253,373 $	5,097,362 $	5,049,083 $	4,811,825	27
ADDITIONS		1,520,693	185,017	197,648	187,257	290,847	28
RETIREMENTS		1,775,054	72,036	41,637	138,978	53,589	29
TRANSFERS AND ADJUSTMENTS		-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$	5,111,993 $	5,366,354 $	5,253,373 $	5,097,362 $	5,049,083	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

BERKSHIRE TELEPHONE CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,869,851	$ 1,674,565	$ 1,594,701	$ 1,543,951	$ 1,266,631
2	ACCESS LINES (AVERAGE*)	4,178	4,055	3,829	3,576	3,477
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 444,817	$ 414,004	$ 391,242	$ 361,904	$ 342,240
4	OTHER OPERATION AND MAINTENANCE EXPENSES	394,659	474,662	331,884	351,046	306,663
5	DEPRECIATION AND AMORTIZATION EXPENSES	285,634	279,956	277,272	284,270	209,574
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	98,594	10,846	39,634	39,439	19,731
8	OTHER TAXES - OPERATING	228,583	230,518	222,336	164,125	134,307
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	222,033	210,205	212,275	212,339	210,293
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	7,468	7,800	7,777	7,750	7,744
11	EARNINGS AVAILABLE FOR COMMON EQUITY	188,063	46,574	112,281	123,078	36,079
12	TOTAL	$ 1,869,851	$ 1,674,565	$ 1,594,701	$ 1,543,951	$ 1,266,631
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	23.8	24.7	24.5	23.4	27.0
14	OTHER OPERATION AND MAINTENANCE EXPENSES	21.1	28.3	20.8	22.7	24.2
15	DEPRECIATION AND AMORTIZATION EXPENSES	15.3	16.7	17.4	18.4	16.5
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	5.3	0.6	2.5	2.6	1.6
18	OTHER TAXES - OPERATING	12.2	13.8	13.9	10.6	10.6
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	11.9	12.6	13.3	13.8	16.6
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.4	0.5	0.5	0.5	0.6
21	EARNINGS AVAILABLE FOR COMMON EQUITY	10.1	2.8	7.0	8.0	2.8
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 8.87	$ 8.51	$ 8.52	$ 8.43	$ 8.20
24	OTHER OPERATION AND MAINTENANCE EXPENSES	7.87	9.76	7.22	8.18	7.35
25	DEPRECIATION AND AMORTIZATION EXPENSES	5.70	5.75	6.04	6.62	5.02
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	1.97	0.22	0.86	0.92	0.47
28	OTHER TAXES - OPERATING	4.56	4.74	4.84	3.82	3.22
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.43	4.32	4.62	4.95	5.04
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.15	0.16	0.17	0.18	0.19
31	EARNINGS AVAILABLE FOR COMMON EQUITY	3.75	0.96	2.44	2.87	0.86
32	TOTAL	$ 37.30	$ 34.42	$ 34.71	$ 35.98	$ 30.36

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARAT.VE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CASSADAGA TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 1,250,759	$ 1,201,820	$ 1,181,866	$ 1,137,172	$ 1,100,588
2	ACCUMULATED PROVISION FOR DEPR+AMORT	642,312	572,726	527,090	474,754	424,410
3	NET TELEPHONE PLANT	608,447	629,094	654,776	662,418	676,178
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	-	-	-	-	-
9	CASH AND WORKING FUNDS	23,972	50,255	49,988	40,840	34,181
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	355,234	278,231	188,232	130,834	52,657
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	228	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	28,014	21,368	3,687	4,854	1,133
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	45,836	42,666	41,704	35,070	36,403
15	MATERIALS AND SUPPLIES*	53,732	53,695	44,129	42,589	38,096
16	PREPAYMENTS	11,151	9,188	10,982	8,339	7,982
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	517,939	455,403	338,950	262,526	170,452
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	4,695	4,893	5,090	5,288	5,486
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	3,564	3,564	1,725	1,080	860
23	TOTAL DEFERRED DEBITS	8,259	8,457	6,815	6,368	6,346
24	TOTAL ASSETS AND OTHER DEBITS	1,134,645	$ 1,092,954	$ 1,000,541	$ 931,412	$ 852,976
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 27,800	$ 27,800	$ 27,800	$ 27,800	$ 27,800
26	PREFERRED CAPITAL STOCK	50,000	50,000	50,000	50,000	50,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	512,393	450,056	380,142	318,350	249,726
34	TOTAL PROPRIETARY CAPITAL	590,193	527,856	457,942	396,150	327,526
35	BONDS(LESS BONDS REACQUIRED)	405,850	416,273	424,738	432,806	440,483
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	405,850	416,273	424,738	432,806	440,483
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	7,801	15,810	14,318	9,631	16,484
40	OTHER NOTES AND ACCOUNTS PAYABLE	33,049	20,482	10,926	15,248	18,102
41	CUSTOMERS' DEPOSITS	2,230	9,170	8,885	7,560	6,695
42	ADVANCE BILLING AND PAYMENTS	-	-	-	-	-
43	TAXES ACCRUED	24,137	25,328	12,626	1,131	212
44	OTHER CURRENT AND ACCRUED LIABILITIES	6,124	6,543	6,621	6,768	6,202
45	TOTAL CURRENT AND ACCRUED LIABILITIES	73,401	77,333	53,376	40,338	47,695
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	46,107	48,042	46,750	47,815	25,325
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	46,107	48,042	46,750	47,815	25,325
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	19,094	23,450	17,735	14,303	11,947
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,134,645	$ 1,092,954	$ 1,000,541	$ 931,412	$ 852,976
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.54	2.57	2.87	2.92	3.42
54	CURRENT ASSETS/CURRENT LIABILITIES	7.06	5.89	6.35	6.51	3.57
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	40.7	44.0	48.1	52.2	57.3
56	PREFERRED STOCK	5.0	5.2	5.6	6.0	6.5
57	COMMON STOCK+OTHER PAID-IN CAPITAL	2.7	2.9	3.1	3.3	3.6
58	RETAINED EARNINGS	51.4	47.6	43.0	38.4	32.5
	LONG-TERM DEBT:					
59	PERCENT OF GROSS TELEPHONE PLANT	32.4	34.6	35.9	38.0	40.0
60	PERCENT OF NET TELEPHONE PLANT	66.7	66.1	64.8	65.3	65.1
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	51.3	47.6	44.5	41.7	38.5

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CASSADAGA TELEPHONE CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES $	482,487 $	463,827 $	404,392 $	383,025 $	317,332	1
OPERATION AND MAINTENANCE EXPENSE	248,989	222,026	196,461	176,029	166,091	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	71,651	70,808	70,917	53,777	53,110	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	50,099	41,295	40,086	37,236	33,575	6
INCOME TAXES-OPERATING	48,324	39,946	15,585	28,134	7,797	7
OPERATING INCOME TAXES DEFERRED	3,254-	6,134	4,918	4,741	2,363	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	1,102-	2,419-	1,486-	2,385-	1,506-	9
TOTAL OPERATING EXPENSES	414,707	379,790	326,481	295,532	261,430	10
TOTAL TELEPHONE OPERATING INCOME	67,780	84,037	77,911	87,493	55,902	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	28,646	19,999	12,398	8,204	2,657	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	3,798	3,654	3,407	3,290	2,001	17
TOTAL OTHER INCOME	32,444	23,653	15,805	11,494	4,658	18
TOTAL INCOME	100,224	107,690	93,716	98,987	60,560	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	950	125	65	124	212	22
TOTAL INCOME DEDUCTIONS	950	125	65	124	212	23
INCOME BEFORE INTEREST CHARGES	99,274	107,565	93,651	98,863	60,348	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	20,744	21,013	21,416	21,804	22,198	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	198	198	198	198	198	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	485	930	990	1,087	533	29
TOTAL INTEREST CHARGES	21,427	22,141	22,604	23,089	22,929	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	77,847	85,424	71,047	75,794	37,419	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME $	77,847 $	85,424 $	71,047 $	75,794 $	37,419	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR $	450,056 $	380,142 $	318,350 $	249,726 $	219,477	37
BALANCE TRANSFERRED FROM INCOME	77,847	85,424	71,047	75,794	37,419	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	3,000	3,000	3,000	3,000	3,000	42
-COMMON STOCK	12,510	12,510	6,255	4,170	4,170	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	512,393	450,056	380,142	318,350	249,726	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR $	512,393 $	450,056 $	380,142 $	318,350 $	249,726	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	51.6	47.8	48.5	45.9	52.3	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	14.8	15.2	17.5	14.0	16.7	49
TOTAL INCOME TAXES-OPERATING	9.1	9.8	4.7	7.4	2.7	50
OTHER TAXES-OPERATING	10.3	8.9	9.9	9.7	10.5	51
TOTAL OPERATING EXPENSES	85.9	81.8	80.7	77.1	82.3	52
OPERATING INCOME	14.0	18.1	19.2	22.8	17.6	53
DEPR. AND AMORT. % OF TELEPHONE PLANT	5.7	5.8	6.0	4.7	4.8	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	4.4	4.8	5.6	6.0	7.2	55
PRETAX INTEREST COVERAGE	6.5	6.8	4.8	5.4	2.9	56
NET INCOME-PERCENT OF OPERATING REVENUES	16.1	18.4	17.5	19.7	11.7	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.6	0.6	0.7	0.7	0.9	58
TIMES EARNED	25.9	28.5	23.7	25.3	12.5	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	2.5	2.6	1.5	1.0	1.3	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	16.7	15.1	9.1	5.7	12.1	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	14.7	18.8	18.0	23.3	13.1	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	2.4	2.8	1.6	1.3	1.5	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CASSADAGA TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 77,847	$ 85,424	$ 71,047	$ 75,794	$ 37,419
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	72,160	71,315	71,426	54,188	53,370
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	6,291-	7,007	2,367	24,846	6,589
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET):	-	-	-	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	143,716	163,746	144,840	154,828	97,378
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	143,716	163,746	144,840	154,828	97,378
10	LESS DIVIDENDS: PREFERRED	3,000	3,000	3,000	3,000	3,000
11	COMMON	12,510	12,510	6,255	4,170	4,170
12	NET FUNDS FROM INTERNAL SOURCES	128,206	148,236	135,585	147,658	90,208
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET):	3,739	-	-	9,754	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	3,739	-	-	9,754	-
20	OTHER SOURCES (NET)	-	3,075	3,635	-	8,165
21						
22						
23	TOTAL FUNDS PROVIDED	$ 131,945	$ 151,311	$ 139,220	$ 157,412	$ 98,373
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 55,053	$ 48,511	$ 67,221	$ 49,984	$ 49,310
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	55,053	48,511	67,221	49,984	49,310
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	55,053	48,511	67,221	49,984	49,310
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	10,423	8,465	8,068	7,677	7,312
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	10,423	8,465	8,068	7,677	7,312
37	OTHER USES (NET)	66,469	94,335	63,931	99,751	41,751
38						
39						
40	TOTAL FUNDS APPLIED	$ 131,945	$ 151,311	$ 139,220	$ 157,412	$ 98,373

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

CASSADAGA TELEPHONE CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 149,097 $	148,710 $	148,282 $	138,377 $	137,507	1
ACCESS REVENUES	110,609					2
TOLL REVENUES	166,544	267,143	231,431	187,429	164,678	3
MISCELLANEOUS REVENUES	61,929	50,709	27,608	58,400	20,241	4
UNCOLLECTIBLE REVENUES-DR	5,692	735	2,929	1,181	5,094	5
TOTAL TELEPHONE OPERATING REVENUE	$ 482,487 $	465,827 $	404,392 $	383,025 $	317,332	6
TELEPHONE ACCESS LINES IN SERVICE	1,587	1,080	1,045	1,024	1,001	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 111.81	$ 138.08	$ 143.34	$ 136.67	$ 109.26	8
ACCESS REVENUE	82.95					9
TOLL REVENUE	124.89	251.43	223.71	185.12	130.85	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 109,699 $	104,603 $	102,422 $	80,480 $	75,954	11
DEPRECIATION + AMORTIZATION EXPENSES	71,651	70,808	70,917	53,777	53,110	12
TRAFFIC EXPENSES	5,913	8,384	4,347	4,246	4,282	13
COMMERCIAL EXPENSES	18,338	14,171	3,543	2,130	9,761	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	39,327	29,748	16,512	14,842	16,549	16
OTHER OPERATING EXPENSES	75,712	65,122	69,637	74,331	59,545	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 320,640 $	292,834 $	267,378 $	229,806 $	219,201	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 1,172,705 $	1,160,740 $	1,127,167 $	1,119,672 $	1,079,338	19
PLANT UNDER CONSTRUCTION	60,554	23,580	37,199	-	3,750	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	17,500	17,500	17,500	17,500	17,500	23
TOTAL TELEPHONE UTILITY PLANT	1,250,759	1,201,820	1,181,866	1,137,172	1,100,588	24
ACCUMULATED PROVISION FOR DEPR+AMORT	642,312	572,726	527,090	474,754	424,410	25
NET TELEPHONE PLANT	$ 608,447 $	629,094 $	654,776 $	662,418 $	676,178	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 1,160,740 $	1,127,167 $	1,119,672 $	1,079,338 $	1,055,270	27
ADDITIONS	18,079	62,130	30,022	53,734	45,560	28
RETIREMENTS	6,114	28,557	22,527	13,400	21,492	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 1,172,705 $	1,160,740 $	1,127,167 $	1,119,672 $	1,079,338	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

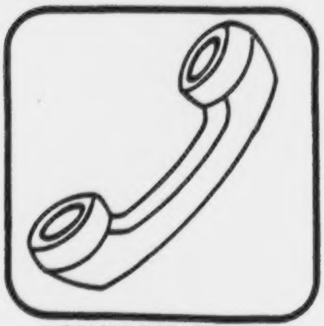
DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

CASSADAGA TELEPHONE CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 482,487	$ 463,827	$ 404,392	$ 383,025	$ 317,332
2	ACCESS LINES (AVERAGE*)	1,334	1,063	1,035	1,013	1,259
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	-	-	-	-	-
4	OTHER OPERATION AND MAINTENANCE EXPENSES	248,989	222,028	198,461	176,029	166,091
5	DEPRECIATION AND AMORTIZATION EXPENSES	71,651	70,808	70,917	53,777	53,110
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	43,968	45,681	19,017	28,490	8,654
8	OTHER TAXES - OPERATING	50,099	41,295	40,086	37,236	33,575
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	21,427	22,141	22,604	23,069	22,929
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	3,000	3,000	3,000	3,000	3,000
11	EARNINGS AVAILABLE FOR COMMON EQUITY	43,353	58,896	52,307	61,424	29,973
12	TOTAL	$ 482,487	$ 463,827	$ 404,392	$ 383,025	$ 317,332
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	-	-	-	-	-
14	OTHER OPERATION AND MAINTENANCE EXPENSES	51.6	47.9	48.6	46.0	52.3
15	DEPRECIATION AND AMORTIZATION EXPENSES	14.9	15.3	17.5	14.0	16.7
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	9.1	9.8	4.7	7.4	2.7
18	OTHER TAXES - OPERATING	10.4	8.9	9.9	9.7	10.6
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.4	4.8	5.6	6.0	7.2
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.6	0.6	0.7	0.8	0.9
21	EARNINGS AVAILABLE FOR COMMON EQUITY	9.0	12.7	12.9	16.0	9.4
22	TOTAL	100.0	100.0	100.0	100.0	100.0
			DOLLARS PER AVERAGE ACCESS LINE PER MONTH			
23	WAGES AND BENEFITS	-	-	-	-	-
24	OTHER OPERATION AND MAINTENANCE EXPENSES	15.56	17.41	15.83	14.48	11.00
25	DEPRECIATION AND AMORTIZATION EXPENSES	4.48	5.55	5.71	4.43	3.52
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	2.75	3.58	1.53	2.34	0.57
28	OTHER TAXES - OPERATING	3.13	3.24	3.23	3.06	2.22
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1.34	1.74	1.82	1.90	1.52
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.19	0.24	0.24	0.25	0.20
31	EARNINGS AVAILABLE FOR COMMON EQUITY	2.71	4.62	4.21	5.06	1.98
32	TOTAL	$ 30.15	$ 36.38	$ 32.58	$ 31.52	$ 21.01

* YEAR END AVERAGE



COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CHAMPLAIN TELEPHONE COMPANY, THE

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 6,803,064	$ 6,566,363	$ 5,548,238	$ 4,822,238	$ 4,677,939
2	ACCUMULATED PROVISION FOR DEPR+AMORT	1,463,121	1,447,471	1,385,645	1,192,161	1,342,297
3	NET TELEPHONE PLANT	5,339,933	5,118,892	4,162,593	3,630,077	3,335,642
4	INVESTMENTS IN AFFILIATED COMPANIES	53,210	18,604	6,000	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	10,697	-	-
7	OTHER INVESTMENTS AND FUNDS	30,892	26,712	11,912	11,912	-
8	TOTAL INVESTMENTS AND FUNDS	84,102	45,316	28,609	11,912	-
9	CASH AND WORKING FUNDS	108,885	101,875	92,386	15,616	47,254
10	SPECIAL CASH DEPOSITS	122	122	122	122	122
11	TEMPORARY CASH INVESTMENTS	207,327	846	782	47,053	1,058
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	67,002	19,255	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	241,533	356,335	77,085	138,261	224,138
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	235,933	186,430	217,274	182,255	156,348
15	MATERIALS AND SUPPLIES*	165,921	154,599	110,250	129,378	93,983
16	PREPAYMENTS	67,216	56,595	43,787	42,689	36,723
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	1,093,938	876,057	541,666	553,404	559,626
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	43,102	44,551	46,000	47,449	48,898
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	19,107	8,072	71,269	51,642	3,830
23	TOTAL DEFERRED DEBITS	62,209	52,623	117,269	99,091	52,728
24	TOTAL ASSETS AND OTHER DEBITS	$ 6,580,183	$ 6,092,888	$ 4,850,137	$ 4,294,484	$ 3,947,996
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 210,000	$ 210,000	$ 210,000	$ 210,000	$ 210,000
26	PREFERRED CAPITAL STOCK	226,050	238,700	252,000	260,000	260,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	1,870,239	1,418,141	1,055,662	944,347	819,848
34	TOTAL PROPRIETARY CAPITAL	2,306,289	1,866,841	1,517,662	1,414,347	1,289,848
35	BONDS(LESS BONDS REACQUIRED)	2,661,684	2,146,812	1,835,482	1,851,743	1,703,577
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	2,661,684	2,146,812	1,835,482	1,851,743	1,703,577
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	361,229	914,082	551,410	557,272	364,441
41	CUSTOMERS'DEPOSITS	456	4,045	2,300	1,000	1,275
42	ADVANCE BILLING AND PAYMENTS	10,180	8,804	19,169	7,671	6,616
43	TAXES ACCRUED	67,444-	45,568	42,212-	245,725-	168,212
44	OTHER CURRENT AND ACCRUED LIABILITIES	36,554	52,031	161,452	37,352	20,424
45	TOTAL CURRENT AND ACCRUED LIABILITIES	340,975	1,024,530	692,119	357,570	560,968
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	470,229	383,814	285,299	276,409	139,538
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	470,229	383,814	285,299	276,409	139,538
50	OPERATING RESERVES	-	71,381	76,108	54,483	2,933
51	ACCUMULATED DEFERRED INCOME TAXES	801,008	599,530	443,467	339,932	251,132
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 6,580,183	$ 6,092,888	$ 4,850,137	$ 4,294,484	$ 3,947,996
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.11	2.01	2.29	2.25	2.11
54	CURRENT ASSETS/CURRENT LIABILITIES	3.21	0.86	0.78	1.55	1.00
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	53.5	53.4	54.7	56.6	56.9
56	PREFERRED STOCK	4.5	5.9	7.5	7.9	8.6
57	COMMON STOCK+OTHER PAID-IN CAPITAL	4.2	5.2	6.2	6.4	7.0
58	RETAINED EARNINGS	37.8	35.3	31.4	28.9	27.3
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	39.1	32.6	33.0	38.4	36.4
60	PERCENT OF NET TELEPHONE PLANT	49.8	41.9	44.0	51.0	51.0
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	21.5	22.0	24.9	24.7	28.6

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CHAMPLAIN TELEPHONE COMPANY, THE

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 3,170,884	$ 3,017,322	$ 2,266,612	$ 2,109,924	$ 1,999,630	1
OPERATION AND MAINTENANCE EXPENSE	1,721,348	1,593,713	1,338,994	1,247,327	1,010,488	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	372,800	319,798	305,234	238,801	193,614	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	241,463	281,916	229,204	171,686	160,963	6
INCOME TAXES-OPERATING	76,671	134,526	2,784-	16,890-	189,306	7
OPERATING INCOME TAXES DEFERRED	244,052	162,538	139,932	115,123	44,978	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	42,576-	6,475-	36,397-	26,323-	15,453-	9
TOTAL OPERATING EXPENSES	2,613,758	2,486,016	1,974,183	1,729,724	1,583,896	10
TOTAL TELEPHONE OPERATING INCOME	557,126	531,306	292,429	380,200	415,734	11
OTHER INCOME						
DIVIDEND INCOME	450	422	392	-	-	12
INTEREST INCOME	7,891	2,817	139	159	-	13
ALLOWANCE FOR CONSTRUCTION FUNDS	29,800	-	-	26,362	3,984	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	35,483	10,617	52-	2,768	35-	17
TOTAL OTHER INCOME	73,624	13,856	479	29,289	3,949	18
TOTAL INCOME	630,750	545,162	292,908	409,489	419,683	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	21	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	2,369	1,855	1,704	1,380	1,229	22
TOTAL INCOME DEDUCTIONS	2,369	1,855	1,704	1,401	1,229	23
INCOME BEFORE INTEREST CHARGES	628,381	543,307	291,204	408,088	418,454	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	115,880	105,908	92,341	86,458	67,192	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	1,449	1,449	1,449	1,449	1,448	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	388	9,549	24,024	33,684	39,345	29
TOTAL INTEREST CHARGES	117,717	116,906	117,814	121,591	107,985	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	510,664	426,401	173,390	286,497	310,469	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	17,826	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	16,371-	3,058-	649-	100,182-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	1,455	3,058-	649-	100,182-	-	35
NET INCOME	$ 512,119	$ 423,343	$ 172,741	$ 186,315	$ 310,469	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 1,418,141	$ 1,055,662	$ 944,347	$ 819,848	$ 553,416	37
BALANCE TRANSFERRED FROM INCOME	512,119	423,343	172,741	186,315	310,469	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	15,104	15,948	16,510	16,900	16,900	42
-COMMON STOCK	44,916	44,916	44,916	44,916	27,137	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	1,870,238	1,418,141	1,055,662	944,347	819,848	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 1,870,239	$ 1,418,141	$ 1,055,662	$ 944,347	$ 819,848	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	54.2	52.8	59.0	59.1	50.5	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	11.7	10.5	13.4	11.3	9.6	49
TOTAL INCOME TAXES-OPERATING	8.8	9.6	4.4	3.4	10.9	50
OTHER TAXES-OPERATING	7.6	9.3	10.1	8.1	8.0	51
TOTAL OPERATING EXPENSES	82.4	82.3	87.0	81.9	79.2	52
OPERATING INCOME	17.5	17.6	12.9	18.0	20.7	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.4	4.8	5.5	4.9	4.1	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	3.7	3.9	5.2	5.8	5.4	55
PRETAX INTEREST COVERAGE	7.7	7.1	3.3	3.9	5.9	56
NET INCOME-PERCENT OF OPERATING REVENUES	16.1	14.0	7.6	8.8	15.5	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	0.4	0.5	0.7	0.8	0.8	58
TIMES EARNED	33.9	26.5	10.5	11.0	18.4	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	1.4	1.4	1.9	2.1	1.3	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	9.0	11.0	28.7	26.5	9.2	61
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	26.8	28.1	12.9	15.5	32.7	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	2.4	3.1	3.7	4.1	3.0	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CHAMPLAIN TELEPHONE COMPANY, THE

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 510,684	$ 426,401	$ 172,741	$ 286,497	$ 310,469
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	374,249	320,889	306,226	240,250	193,614
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	287,881	254,578	112,425	225,671	50,688
4	INTEREST CAPITALIZED	29,800-	-	-	26,362-	3,984-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	1,143,004	1,001,868	591,392	726,056	550,787
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	1,455	3,058-	-	100,182-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	1,144,459	998,810	591,392	625,874	550,787
10	LESS DIVIDENDS PREFERRED	15,105	15,948	16,510	16,900	16,900
11	COMMON	44,916	44,916	44,916	44,916	27,137
12	NET FUNDS FROM INTERNAL SOURCES	1,084,438	937,946	529,966	564,058	506,750
	EXTERNAL SOURCES					
13	LONG TERM DEBT	540,884	338,000	-	157,000	835,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	64,000
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	540,884	338,000	-	157,000	899,000
20	OTHER SOURCES (NET)	161,762	282,309	543,055	193,982	96,990
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,787,084	$ 1,556,255	$ 1,073,021	$ 915,040	$ 1,502,740
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 737,554	$ 1,387,398	$ 893,382	$ 662,139	$ 1,001,651
25	NON-UTILITY PLANT	-	-	10,697	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	737,554	1,387,398	904,079	662,139	1,001,651
28	LESS INTEREST CAPITALIZED	29,800	-	-	26,362	3,984
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	707,754	1,387,398	904,079	635,777	997,667
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	26,011	24,670	16,261	8,834	8,423
31	PREFERRED STOCK	12,650	13,300	8,000	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	80,500	90,000	20,553	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	38,661	118,470	114,261	29,387	8,423
37	OTHER USES (NET)	1,040,669	50,387	54,681	249,876	496,650
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,787,084	$ 1,556,255	$ 1,073,021	$ 915,040	$ 1,502,740

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT

YEARS ENDING DECEMBER 31

CHAMPLAIN TELEPHONE COMPANY, THE

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	721,331 $	708,728 $	664,808 $	575,098 $	512,578	1
ACCESS REVENUES		1,348,925					2
TOLL REVENUES		807,340	2,282,844	1,678,400	1,527,931	1,471,667	3
MISCELLANEOUS REVENUES		305,288	49,750	40,404	31,395	30,885	4
UNCOLLECTIBLE REVENUES-DR		12,000	24,000	107,000	24,500	15,500	5
TOTAL TELEPHONE OPERATING REVENUE	$	3,170,884 $	3,017,322 $	2,286,612 $	2,109,924 $	1,999,630	6
TELEPHONE ACCESS LINES IN SERVICE		4,098	3,815	3,834	3,750	3,689	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 182.38	$ 185.31	$ 172.48	$ 154.66	$ 141.46	8
ACCESS REVENUE		341.03					9
TOLL REVENUE		204.11	598.90	442.09	411.40	406.15	10

*YEAR END AVERAGE

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	574,889 $	530,125 $	434,888 $	368,154 $	319,081	11
DEPRECIATION + AMORTIZATION EXPENSES		372,800	319,798	305,234	238,801	193,614	12
TRAFFIC EXPENSES		251,736	212,170	177,276	204,162	174,221	13
COMMERCIAL EXPENSES		159,323	120,755	95,109	85,722	41,892	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		400,222	423,502	363,005	336,818	263,584	16
OTHER OPERATING EXPENSES		335,178	307,161	268,716	252,471	211,710	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	2,094,148 $	1,913,511 $	1,644,228 $	1,486,128 $	1,204,102	18
TELEPHONE UTILITY PLANT							
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	6,782,908 $	5,911,218 $	5,114,094 $	4,731,725 $	3,617,953	19
PLANT UNDER CONSTRUCTION		20,146	655,145	434,144	90,513	1,059,986	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-	-	22
PLANT ADJUSTMENTS		-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT		6,803,054	6,566,363	5,548,238	4,822,238	4,677,939	24
ACCUMULATED PROVISION FOR DEPR+AMORT		1,463,121	1,447,471	1,385,645	1,192,161	1,342,297	25
NET TELEPHONE PLANT	$	5,339,933 $	5,118,892 $	4,162,593 $	3,630,077 $	3,335,642	26
PLANT IN SERVICE BEGINNING OF YEAR	$	5,911,218 $	5,114,094 $	4,731,725 $	3,617,953 $	3,236,758	27
ADDITIONS		1,372,553	1,111,212	560,448	1,631,612	457,679	28
RETIREMENTS		500,863	407,977	178,079	517,840	76,484	29
TRANSFERS AND ADJUSTMENTS		-	93,889	-	-	-	30
PLANT IN SERVICE END OF YEAR	$	6,782,908 $	5,911,218 $	5,114,094 $	4,731,725 $	3,617,953	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

CHAMPLAIN TELEPHONE COMPANY, THE

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 3,170,884	$ 3,017,322	$ 2,268,612	$ 2,109,924	$ 1,999,830
2	ACCESS LINES (AVERAGE*)	3,956	3,825	3,797	3,714	3,624
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 1,129,945	$ 947,734	$ 823,872	$ 772,975	$ 624,221
4	OTHER OPERATION AND MAINTENANCE EXPENSES	591,403	645,979	515,122	474,352	386,267
5	DEPRECIATION AND AMORTIZATION EXPENSES	372,800	319,798	305,234	238,801	193,614
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	278,147	290,589	100,751	71,910	218,831
8	OTHER TAXES - OPERATING	241,463	281,916	229,204	171,686	160,963
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	113,381	116,908	117,814	114,974	107,272
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	14,535	15,948	16,510	15,608	16,721
11	EARNINGS AVAILABLE FOR COMMON EQUITY	429,240	398,452	158,105	249,618	291,741
12	TOTAL	$ 3,170,884	$ 3,017,322	$ 2,268,612	$ 2,109,924	$ 1,999,830
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	35.6	31.4	36.3	36.6	31.2
14	OTHER OPERATION AND MAINTENANCE EXPENSES	18.7	21.4	22.7	22.5	19.3
15	DEPRECIATION AND AMORTIZATION EXPENSES	11.8	10.6	13.5	11.3	9.7
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	8.8	9.6	4.4	3.4	10.9
18	OTHER TAXES - OPERATING	7.6	9.3	10.1	8.1	8.0
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.6	3.9	5.2	5.4	5.4
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.5	0.5	0.7	0.7	0.8
21	EARNINGS AVAILABLE FOR COMMON EQUITY	13.5	13.2	7.0	11.8	14.6
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 23.81	$ 20.65	$ 18.08	$ 17.34	$ 14.35
24	OTHER OPERATION AND MAINTENANCE EXPENSES	12.46	14.08	11.31	10.64	8.88
25	DEPRECIATION AND AMORTIZATION EXPENSES	7.85	6.97	6.70	5.36	4.45
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	5.86	6.33	2.21	1.61	5.03
28	OTHER TAXES - OPERATING	5.09	6.14	5.03	3.85	3.70
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.39	2.55	2.59	2.58	2.47
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.31	0.35	0.36	0.35	0.38
31	EARNINGS AVAILABLE FOR COMMON EQUITY	9.04	8.68	3.47	5.60	6.71
32	TOTAL	$ 66.80	$ 65.75	$ 49.79	$ 47.34	$ 45.99

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CHAUTAUQUA AND ERIE TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
			ASSETS AND OTHER DEBITS			
1	TELEPHONE PLANT	$ 14,452,220	$ 13,488,380	$ 13,428,666	$ 12,924,758	$ 12,277,271
2	ACCUMULATED PROVISION FOR DEPR+AMORT	4,015,800	4,453,464	4,206,836	3,789,225	3,306,442
3	NET TELEPHONE PLANT	10,436,420	9,034,916	9,221,830	9,135,533	8,970,829
4	INVESTMENTS IN AFFILIATED COMPANIES	40,324	40,324	40,324	21,947	21,947
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	40,324	40,324	40,324	21,947	21,947
9	CASH AND WORKING FUNDS	84,420	116,878	38,315	72,374	146,139
10	SPECIAL CASH DEPOSITS	182,184	88,305	165	30,500	36,045
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	222,873	19,424	32,016	103	103
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	578,419	516,285	299,113	77,309	73,376
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	254,175	238,250	345,848	316,344	263,159
15	MATERIALS AND SUPPLIES*	217,952	321,082	187,555	189,526	209,641
16	PREPAYMENTS	102,848	94,292	96,179	89,712	77,737
17	OTHER CURRENT AND ACCRUED ASSETS	191,561	188,300	184,234	180,079	162,660
18	TOTAL CURRENT AND ACCRUED ASSETS	1,834,432	1,582,766	1,183,425	955,947	968,860
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	41,602	44,684	47,765	51,108	54,504
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	21,356	42,022	25,921	25,495	34,731
23	TOTAL DEFERRED DEBITS	62,958	86,706	73,686	76,603	89,235
24	TOTAL ASSETS AND OTHER DEBITS	12,374,134 $	10,744,712 $	10,519,265 $	10,190,030 $	10,050,871
			LIABILITIES AND OTHER CREDITS			
25	COMMON CAPITAL STOCK	$ 780,320	$ 780,320	$ 780,320	$ 780,320	$ 780,320
26	PREFERRED CAPITAL STOCK	650,000	650,000	650,000	650,000	650,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	3,490,893	2,899,814	2,627,976	2,137,882	1,855,217
34	TOTAL PROPRIETARY CAPITAL	4,921,213	4,330,134	4,058,296	3,568,202	3,285,537
35	BONDS(LESS BONDS REACQUIRED)	2,550,000	2,610,000	2,670,000	3,042,000	3,108,000
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	2,550,000	2,610,000	2,670,000	3,042,000	3,108,000
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	38,275	4,781	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	2,980,820	2,261,873	2,402,342	2,429,450	2,706,111
41	CUSTOMERS' DEPOSITS	26,616	43,843	46,105	35,625	32,940
42	ADVANCE BILLING AND PAYMENTS	27,000	27,000	26,000	26,000	37,615
43	TAXES ACCRUED	228,112	232,997	231,432	135,793	88,673
44	OTHER CURRENT AND ACCRUED LIABILITIES	174,775	160,967	155,377	163,202	169,369
45	TOTAL CURRENT AND ACCRUED LIABILITIES	3,475,598	2,731,461	2,861,256	2,790,070	3,034,708
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	591,688	421,083	378,718	330,468	228,958
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	591,688	421,083	378,718	330,468	228,958
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	835,635	652,034	550,995	459,290	395,668
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 12,374,134	$ 10,744,712	$ 10,519,265	$ 10,190,030	$ 10,050,871
			SELECTED BALANCE SHEET RELATIONSHIPS			
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.55	2.89	2.95	2.96	3.00
54	CURRENT ASSETS/CURRENT LIABILITIES	0.53	0.58	0.41	0.34	0.32
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	34.1	37.6	39.6	46.0	48.5
56	PREFERRED STOCK	8.7	9.3	9.6	9.8	10.1
57	COMMON STOCK+OTHER PAID-IN CAPITAL	10.4	11.2	11.5	11.8	12.2
58	RETAINED EARNINGS	46.7	41.7	39.0	32.3	29.0
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	17.6	19.3	19.8	23.5	25.2
60	PERCENT OF NET TELEPHONE PLANT	24.4	28.8	28.9	33.2	34.6
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	27.7	33.0	31.3	29.3	26.9

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CHAUTAUQUA AND ERIE TELEPHONE CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 5,471,606	$ 4,662,279	$ 4,488,499	$ 4,235,004	$ 3,978,004	1
OPERATION AND MAINTENANCE EXPENSE	2,037,618	1,948,105	1,973,472	1,840,708	1,674,171	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	715,669	676,651	555,653	546,761	524,832	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	538,783	575,131	543,674	446,141	405,533	6
INCOME TAXES-OPERATING	646,515	346,763	253,892	198,101	135,599	7
OPERATING INCOME TAXES DEFERRED	216,452	138,032	120,224	102,646	129,702	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	32,872-	36,972-	28,519-	39,024-	39,922-	9
TOTAL OPERATING EXPENSES	4,122,165	3,647,710	3,418,296	3,095,331	2,829,915	10
TOTAL TELEPHONE OPERATING INCOME	1,349,441	1,014,569	1,048, 03	1,139,673	1,148,089	11
OTHER INCOME						
DIVIDEND INCOME	-	4,207	-	2,085	2,085	12
INTEREST INCOME	10,032	-	1,618	3,508	1,401	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	403	316	644	20,810	38,095	17
TOTAL OTHER INCOME	10,435	4,523	2,262	26,403	41,581	18
TOTAL INCOME	1,359,876	1,019,092	1,050,365	1,166,076	1,189,670	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	20,455	16,852	24,744	9,630	9,166	22
TOTAL INCOME DEDUCTIONS	20,455	16,852	24,744	9,630	9,166	23
INCOME BEFORE INTEREST CHARGES	1,339,421	1,002,240	1,025,621	1,156,446	1,180,504	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	223,472	228,647	247,472	255,552	260,313	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	3,082	3,081	3,343	3,395	3,449	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	176,983	213,530	204,401	329,690	416,698	29
TOTAL INTEREST CHARGES	403,537	445,258	455,216	588,637	680,460	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	935,884	556,982	570,405	567,809	500,044	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	278,053	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	73,220	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	204,833	-	-	35
NET INCOME	$ 935,884	$ 556,982	$ 775,238	$ 567,809	$ 500,044	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 2,899,814	$ 2,627,976	$ 2,137,882	$ 1,855,217	$ 1,620,430	37
BALANCE TRANSFERRED FROM INCOME	935,884	556,982	775,238	567,809	500,044	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	46,500	46,500	46,500	46,500	46,500	42
-COMMON STOCK	298,305	238,644	238,644	238,644	218,757	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	3,490,893	2,899,814	2,627,976	2,137,882	1,855,217	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 3,490,893	$ 2,899,814	$ 2,627,976	$ 2,137,882	$ 1,855,217	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	37.2	41.7	44.1	43.4	42.0	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	13.0	14.5	12.4	12.9	13.1	49
TOTAL INCOME TAXES-OPERATING	15.2	9.6	7.7	6.2	5.7	50
OTHER TAXES-OPERATING	9.8	12.3	12.1	10.5	10.1	51
TOTAL OPERATING EXPENSES	75.3	78.2	76.5	73.0	71.1	52
OPERATING INCOME	24.6	21.7	23.4	26.9	28.8	53
DEPR. AND AMORT % OF TELEPHONE PLANT	4.9	5.0	4.1	4.2	4.2	54
INTEREST EXPENCE:						
PERCENT OF OPERATING REVENUES	7.4	9.6	10.2	13.9	17.1	55
PRETAX INTEREST COVERAGE	5.4	3.3	3.0	2.4	2.0	56
NET INCOME-PERCENT OF OPERATING REVENUES	17.1	11.9	17.3	13.4	12.5	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.8	0.9	1.0	1.0	1.1	58
TIMES EARNED	20.1	12.0	16.7	12.2	10.8	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	5.4	5.1	5.3	5.6	5.4	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	33.5	46.7	32.7	45.7	48.2	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	22.3	14.4	23.0	18.7	18.0	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	7.5	6.7	7.5	8.5	8.6	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CHAUTAUQUA AND ERIE TELEPHONE CORPORATION

LINE NO	ITEM		1985		1984		1983		1982		1981
	FUNDS PROVIDED										
	INTERNAL SOURCES										
1	INCOME BEFORE EXTRAORDINARY ITEMS	$	935,884	$	556,982	$	570,405	$	567,809	$	500,044
	NON-CASH CHARGES(CREDITS) TO INCOME										
2	DEPRECIATION AND AMORTIZATION		718,751		679,732		605,472		550,156		528,281
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)		354,205		143,405		139,955		165,132		162,207
4	INTEREST CAPITALIZED		-		-		-		-		-
5	OTHER (NET)		-		-		-		-		-
6											
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS		2,008,840		1,380,119		1,315,832		1,283,097		1,190,532
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES		-		-		204,833		-		-
9	TOTAL FUNDS FROM INTERNAL SOURCES		2,008,840		1,380,119		1,520,665		1,283,097		1,190,532
10	LESS DIVIDENDS PREFERRED		46,500		46,500		46,500		46,500		46,500
11	COMMON		298,305		238,644		238,644		238,644		218,757
12	NET FUNDS FROM INTERNAL SOURCES		1,664,035		1,094,975		1,235,521		997,953		925,275
	EXTERNAL SOURCES										
13	LONG TERM DEBT		-		-		-		-		-
14	PREFERRED STOCK		-		-		-		-		-
15	COMMON STOCK		-		-		-		-		-
16	NET INCREASE IN SHORT TERM DEBT		1,759,500		-		-		-		337,000
17	OTHER (NET)		-		-		-		48,715		-
18											
19	TOTAL FUNDS FROM EXTERNAL SOURCES		1,759,500		-		-		48,715		337,000
20	OTHER SOURCES (NET)		87,589		56,241		65,155		150,482		109,331
21											
22											
23	TOTAL FUNDS PROVIDED	$	3,511,124	$	1,151,216	$	1,300,676	$	1,197,150	$	1,371,606
	FUNDS APPLIED										
	CONSTRUCTION EXPENDITURES										
	GROSS ADDITIONS:										
24	TELEPHONE PLANT	$	2,184,096	$	544,092	$	753,581	$	802,925	$	876,043
25	NON-UTILITY PLANT		-		-		-		-		-
26	OTHER		-		-		-		-		-
27	TOTAL GROSS ADDITIONS		2,184,096		544,092		753,581		802,925		876,043
28	LESS INTEREST CAPITALIZED		-		-		-		-		-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED		2,184,096		544,092		753,581		802,925		876,043
	RETIREMENT OF DEBT AND SECURITIES										
30	LONG TERM DEBT		60,000		60,000		372,000		64,000		[illegible]
31	PREFERRED STOCK		-		-		-		-		[illegible]
32	REDEMPTION OF CAPITAL STOCK		-		-		-		-		[illegible]
33	NET DECREASE IN SHORT TERM DEBT		1,001,500		327,250		97,000		318,250		[illegible]
34	OTHER (NET)		-		-		-		-		-
35											
36	TOTAL RETIREMENT OF DEBT AND SECURITIES		1,061,500		387,250		469,000		382,250		151,000
37	OTHER USES (NET)		265,528		219,874		78,095		11,975		344,563
38											
39											
40	TOTAL FUNDS APPLIED	$	3,511,124	$	1,151,216	$	1,300,676	$	1,197,150	$	1,371,606

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

CHAUTAUQUA AND ERIE TELEPHONE CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO.
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 1,282,759	$ 1,276,636	$ 1,268,441	$ 1,223,214	$ 1,162,590	1
ACCESS REVENUES	1,426,688					2
TOLL REVENUES	2,146,919	3,048,407	3,082,571	2,903,848	2,736,632	3
MISCELLANEOUS REVENUES	650,144	343,283	121,987	125,580	101,188	4
UNCOLLECTIBLE REVENUES-DR	34,904	6,048	6,500	17,638	22,406	5
TOTAL TELEPHONE OPERATING REVENUE	$ 5,471,606	$ 4,662,279	$ 4,466,499	$ 4,235,004	$ 3,978,004	6
TELEPHONE ACCESS LINES IN SERVICE	8,660	8,551	8,265	8,166	8,082	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 149.06	$ 151.84	$ 154.40	$ 150.57	$ 145.20	8
ACCESS REVENUE	165.79					9
TOLL REVENUE	249.48	362.56	375.21	357.44	341.78	10
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 605,543	$ 555,499	$ 566,397	$ 538,740	$ 507,489	11
DEPRECIATION + AMORTIZATION EXPENSES	715,669	676,651	555,653	546,761	524,832	12
TRAFFIC EXPENSES	247,440	234,128	212,523	201,997	191,699	13
COMMERCIAL EXPENSES	179,589	181,096	225,254	201,370	178,001	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	689,229	605,006	558,692	571,385	501,154	16
OTHER OPERATING EXPENSES	315,817	372,378	410,006	327,214	295,828	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 2,753,287	$ 2,624,758	$ 2,529,125	$ 2,387,467	$ 2,199,003	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 14,410,385	$ 13,519,250	$ 13,335,432	$ 12,866,385	$ 12,239,678	19
PLANT UNDER CONSTRUCTION	41,835	30,870-	93,234	58,373	37,593	20
PROPERTY HELD FOR FUTURE USE	-	-	-			21
PLANT ACQUISITION ADJUSTMENTS	-	-	-		-	22
PLANT ADJUSTMENTS	-	-	-			23
TOTAL TELEPHONE UTILITY PLANT	14,452,220	13,488,380	13,428,666	12,924,758	12,277,271	24
ACCUMULATED PROVISION FOR DEPR+AMORT	4,015,800	4,453,464	4,206,836	3,789,225	3,306,442	25
NET TELEPHONE PLANT	$ 10,436,420	$ 9,034,916	$ 9,221,830	$ 9,135,533	$ 8,970,829	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 13,519,250	$ 13,335,432	$ 12,866,385	$ 12,239,678	$ 11,451,722	27
ADDITIONS	2,111,391	668,195	718,332	782,145	962,607	28
RETIREMENTS	1,220,256	484,377	249,285	155,438	174,651	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 14,410,385	$ 13,519,250	$ 13,335,432	$ 12,866,385	$ 12,239,678	31

*YEAR END AVERAGE

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

CHAUTAUQUA AND ERIE TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 5,471,606	$ 4,662,279	$ 4,466,499	$ 4,235,004	$ 3,978,004
2	ACCESS LINES (AVERAGE*)	8,606	8,408	8,216	8,124	8,007
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 1,241,138	$ 1,249,589	$ 1,236,826	$ 1,113,917	$ 207,015
4	OTHER OPERATION AND MAINTENANCE EXPENSES	796,480	698,516	736,646	726,789	1,467,156
5	DEPRECIATION AND AMORTIZATION EXPENSES	715,669	676,651	555,653	546,761	524,832
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	830,095	447,823	345,597	261,723	225,379
8	OTHER TAXES - OPERATING	538,783	575,131	543,674	446,141	405,533
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	403,537	445,258	455,216	588,637	680,460
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	46,500	46,500	46,500	46,500	46,500
11	EARNINGS AVAILABLE FOR COMMON EQUITY	899,404	522,811	546,387	504,536	421,129
12	TOTAL	$ 5,471,606	$ 4,662,279	$ 4,466,499	$ 4,235,004	$ 3,978,004
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	22.7	26.8	27.7	26.3	5.2
14	OTHER OPERATION AND MAINTENANCE EXPENSES	14.6	15.0	16.5	17.2	36.9
15	DEPRECIATION AND AMORTIZATION EXPENSES	13.1	14.5	12.4	12.9	13.2
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	15.2	9.6	7.7	6.2	5.7
18	OTHER TAXES - OPERATING	9.8	12.3	12.2	10.5	10.2
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.4	9.5	10.2	13.9	17.1
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.8	1.0	1.0	1.1	1.2
21	EARNINGS AVAILABLE FOR COMMON EQUITY	16.4	11.2	12.2	11.9	10.6
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 12.02	$ 12.38	$ 12.55	$ 11.43	$ 2.15
24	OTHER OPERATION AND MAINTENANCE EXPENSES	7.71	6.92	7.47	7.46	15.27
25	DEPRECIATION AND AMORTIZATION EXPENSES	6.93	6.71	5.64	5.61	5.46
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	8.04	4.44	3.51	2.68	2.35
28	OTHER TAXES - OPERATING	5.22	5.70	5.51	4.58	4.22
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.91	4.41	4.62	6.04	7.08
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.45	0.46	0.47	0.48	0.48
31	EARNINGS AVAILABLE FOR COMMON EQUITY	8.71	5.18	5.54	5.18	4.38
32	TOTAL	$ 52.99	$ 46.21	$ 45.31	$ 43.44	$ 41.40

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CHAZY AND WESTPORT TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 4,000,227	$ 3,713,477	$ 3,336,196	$ 3,193,301	$ 2,917,678
2	ACCUMULATED PROVISION FOR DEPR+AMORT	1,079,703	892,695	949,952	780,471	608,420
3	NET TELEPHONE PLANT	2,920,524	2,820,782	2,386,244	2,412,830	2,309,258
4	INVESTMENTS IN AFFILIATED COMPANIES	64,559	57,653	25,621	14,732	1,000
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	75	75	75	75	75
7	OTHER INVESTMENTS AND FUNDS	162,700	92,700	89,700	89,700	89,700
8	TOTAL INVESTMENTS AND FUNDS	227,334	150,428	115,396	104,507	90,775
9	CASH AND WORKING FUNDS	34,610	52,567	57,454	21,012	42,671
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	-	-	1,000	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	89,695	42,621	45,961	7,388	19
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	158,061	194,125	56,989	50,765	43,767
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	154,968	149,952	149,685	160,090	129,916
15	MATERIALS AND SUPPLIES*	75,038	72,798	68,534	53,056	39,992
16	PREPAYMENTS	47,399	49,424	50,798	47,140	36,090
17	OTHER CURRENT AND ACCRUED ASSETS	58,504	50,975	44,232	38,341	34,122
18	TOTAL CURRENT AND ACCRUED ASSETS	618,275	612,462	474,653	377,792	326,577
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	13,573	14,138	4,986	5,177	5,368
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	-	-	-	-	-
23	TOTAL DEFERRED DEBITS	13,573	14,138	4,986	5,177	5,368
24	TOTAL ASSETS AND OTHER DEBITS	3,779,706	$ 3,597,810	$ 2,981,279	$ 2,900,306	$ 2,731,978
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 62,100	$ 62,100	$ 62,100	$ 62,100	$ 62,100
26	PREFERRED CAPITAL STOCK	130,000	130,000	130,000	130,000	130,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	824,518	664,533	571,730	470,083	377,175
34	TOTAL PROPRIETARY CAPITAL	1,016,618	856,633	763,830	662,183	569,275
35	BONDS(LESS BONDS REACQUIRED)	2,203,238	1,730,921	1,761,232	1,785,462	1,749,111
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	2,203,238	1,730,921	1,761,232	1,785,462	1,749,111
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	2,370	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	211,667	747,279	207,718	264,936	287,934
41	CUSTOMERS'DEPOSITS	1,085	450	250	1,025	685
42	ADVANCE BILLING AND PAYMENTS	14,706	20,076	15,120	11,839	9,884
43	TAXES ACCRUED	14,625-	4,949	3,548	4,481	6,877
44	OTHER CURRENT AND ACCRUED LIABILITIES	7,285	9,830	19,452	14,090	8,866
45	TOTAL CURRENT AND ACCRUED LIABILITIES	222,488	782,584	246,088	296,371	314,246
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	52,934	57,997	61,956	63,606	64,846
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	52,934	57,997	61,956	63,606	64,846
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	284,428	169,675	148,173	92,684	34,500
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,779,708	$ 3,597,810	$ 2,981,279	$ 2,900,306	$ 2,731,978
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.36	2.26	2.35	2.36	2.54
54	CURRENT ASSETS/CURRENT LIABILITIES	2.78	0.78	1.93	1.27	1.04
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	68.4	66.8	89.7	72.9	75.4
56	PREFERRED STOCK	4.0	5.0	5.1	5.3	5.6
57	COMMON STOCK+OTHER PAID-IN CAPITAL	1.9	2.3	2.4	2.5	2.6
58	RETAINED EARNINGS	25.6	25.6	22.6	19.2	16.2
	LONG-TERM DEBT:					
59	PERCENT OF GROSS TELEPHONE PLANT	55.0	46.6	52.7	55.9	59.9
60	PERCENT OF NET TELEPHONE PLANT	75.4	61.3	73.8	73.9	75.7
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	26.9	24.0	28.4	24.4	20.8

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CHAZY AND WESTPORT TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,633,876	$ 1,559,294	$ 1,388,265	$ 1,294,719	$ 1,061,126	1
OPERATION AND MAINTENANCE EXPENSE	937,644	1,024,466	797,486	719,341	553,055	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	164,555	208,815	204,574	201,670	164,452	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	125,178	137,902	124,508	100,684	83,515	6
INCOME TAXES-OPERATING	752-	4,595-	4,180	4,151	19,315	7
OPERATING INCOME TAXES DEFERRED	114,753	21,502	55,489	58,184	34,500	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	-	-	-	-	9
TOTAL OPERATING EXPENSES	1,341,376	1,388,090	1,186,237	1,084,030	854,837	10
TOTAL TELEPHONE OPERATING INCOME	292,500	171,204	202,028	210,689	206,289	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	1,518	988	78	-	-	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	8,951	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	12,110	37,189	16,891	9,068	6,633	17
TOTAL OTHER INCOME	13,628	38,177	16,969	9,068	15,584	18
TOTAL INCOME	306,128	209,381	218,997	219,757	221,873	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	1,789	5,127	785	1,014	182	22
TOTAL INCOME DEDUCTIONS	1,789	5,127	785	1,014	182	23
INCOME BEFORE INTEREST CHARGES	304,339	204,254	218,212	218,743	221,691	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	123,739	86,909	88,207	88,706	79,510	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	565	191	191	191	191	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	13,550	17,851	21,687	30,589	32,020	29
TOTAL INTEREST CHARGES	137,854	104,951	110,085	119,486	111,721	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	166,485	99,303	108,147	99,257	109,970	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	151	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	151	-	35
NET INCOME	$ 166,485	$ 99,303	$ 108,147	$ 99,408	$ 109,970	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 664,533	$ 571,730	$ 470,083	$ 377,175	$ 273,705	37
BALANCE TRANSFERRED FROM INCOME	166,485	99,303	108,147	99,408	109,970	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	6,500	6,500	6,500	6,500	6,500	42
-COMMON STOCK	-	-	-	-	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	824,518	664,533	571,730	470,083	377,175	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 824,518	$ 664,533	$ 571,730	$ 470,083	$ 377,175	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	57.3	65.7	57.4	55.5	52.1	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	10.0	13.3	14.7	15.5	15.4	49
TOTAL INCOME TAXES-OPERATING	7.0	1.1	4.3	4.8	5.1	50
OTHER TAXES-OPERATING	7.6	8.8	8.9	7.7	7.8	51
TOTAL OPERATING EXPENSES	82.0	89.0	85.4	83.7	80.5	52
OPERATING INCOME	17.9	10.9	14.5	16.2	19.4	53
DEPR. AND AMORT. % OF TELEPHONE PLANT	4.1	5.6	6.1	6.3	5.6	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	8.4	6.7	7.9	9.2	10.5	55
PRETAX INTEREST COVERAGE	3.0	2.1	2.5	2.3	2.4	56
NET INCOME-PERCENT OF OPERATING REVENUES	10.1	6.3	7.7	7.6	10.3	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.3	0.4	0.4	0.5	0.6	58
TIMES EARNED	25.6	15.3	16.6	15.3	16.9	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	-	-	-	-	-	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	19.8	13.6	17.4	19.1	26.6	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	-	-	-	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CHAZY AND WESTPORT TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 166,485	$ 99,303	$ 108,147	$ 99,257	$ 109,970
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	207,090	250,318	242,686	232,247	108,766
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	109,690	17,543	53,839	56,944	44,658
4	INTEREST CAPITALIZED	-	-	-	-	8,951-
5	OTHER (NET)	7,196	2,979	15,157	25,220	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	490,461	370,143	419,829	413,668	254,443
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	151	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	490,461	370,143	419,829	413,819	254,443
10	LESS DIVIDENDS: PREFERRED	6,500	6,500	6,500	6,500	6,500
11	COMMON	-	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	483,961	363,643	413,329	407,319	247,943
	EXTERNAL SOURCES					
13	LONG TERM DEBT	505,574	-	-	58,540	491,365
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	280,762	-	-	125,000
17	OTHER (NET)	-	-	-	-	-
18				-		
19	TOTAL FUNDS FROM EXTERNAL SOURCES	505,574	280,762	-	58,540	616,365
20	OTHER SOURCES (NET):	-	116,551	-	-	56,593
21						
22						
23	TOTAL FUNDS PROVIDED	$ 989,535	$ 760,956	$ 413,329	$ 465,859	$ 920,901
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 313,463	$ 687,644	$ 231,066	$ 360,848	$ 779,784
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	313,463	687,644	231,066	360,848	779,784
28	LESS INTEREST CAPITALIZED	-	-	-	-	8,951
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	313,463	687,644	231,066	360,848	770,833
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	33,257	30,311	24,230	22,189	21,120
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	425,762	-	20,000	20,000	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	459,019	30,311	44,230	42,189	21,120
37	OTHER USES (NET)	217,053	43,001	138,033	62,822	128,948
38						
39						
40	TOTAL FUNDS APPLIED	$ 989,535	$ 760,956	$ 413,329	$ 465,859	$ 920,901

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT.

YEARS ENDING DECEMBER 31

CHAZY AND WESTPORT TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 350,970	$ 346,404	$ 351,961	$ 347,570	$ 343,399	1
ACCESS REVENUES	483,057					2
TOLL REVENUES	694,457	1,180,116	1,008,212	929,918	703,126	3
MISCELLANEOUS REVENUES	116,192	52,035	37,692	26,833	24,972	4
UNCOLLECTIBLE REVENUES-DR	10,800	19,261	9,600	9,600	10,371	5
TOTAL TELEPHONE OPERATING REVENUE	$ 1,633,876	$ 1,559,294	$ 1,388,265	$ 1,294,719	$ 1,061,126	6
TELEPHONE ACCESS LINES IN SERVICE	2,522	2,530	2,411	2,262	2,274	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 138.34	$ 140.22	$ 150.64	$ 153.25	$ 153.03	8
ACCESS REVENUE	191.23					9
TOLL REVENUE	274.92	477.68	431.51	410.02	313.34	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 341,147	$ 334,081	$ 295,477	$ 283,641	$ 201,905	11
DEPRECIATION + AMORTIZATION EXPENSES	164,555	208,815	204,574	201,670	164,452	12
TRAFFIC EXPENSES	36,885	40,694	10,648	11,081	10,194	13
COMMERCIAL EXPENSES	121,130	118,258	91,596	78,634	61,272	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	278,911	308,008	265,789	219,074	188,539	16
OTHER OPERATING EXPENSES	159,571	223,427	133,976	126,911	91,145	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,102,199	$ 1,233,281	$ 1,002,060	$ 921,011	$ 717,507	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 3,897,018	$ 3,589,670	$ 3,259,764	$ 3,102,613	$ 2,905,190	19
PLANT UNDER CONSTRUCTION	103,209	123,807	78,432	90,688	12,488	20
PROPERTY HELD FOR FUTURE USE	-	-	-		-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-		-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	4,000,227	3,713,477	3,338,196	3,193,301	2,917,678	24
ACCUMULATED PROVISION FOR DEPR+AMORT	1,079,703	892,695	949,952	780,471	608,420	25
NET TELEPHONE PLANT	$ 2,920,524	$ 2,820,782	$ 2,388,244	$ 2,412,830	$ 2,309,258	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 3,589,670	$ 3,259,764	$ 3,102,613	$ 2,905,190	$ 2,399,498	27
ADDITIONS	334,061	640,269	245,322	282,648	848,397	28
RETIREMENTS	26,713	310,363	88,171	85,225	342,705	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 3,897,018	$ 3,589,670	$ 3,259,764	$ 3,102,613	$ 2,905,190	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

CHAZY AND WESTPORT TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,633,876	$ 1,559,294	$ 1,388,265	$ 1,294,719	$ 1,061,126
2	ACCESS LINES (AVERAGE*)	2,526	2,471	2,337	2,268	2,244
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 427,722	$ 379,908	$ 348,750	$ 327,325	$ 247,147
4	OTHER OPERATION AND MAINTENANCE EXPENSES	509,922	644,580	448,736	392,016	305,908
5	DEPRECIATION AND AMORTIZATION EXPENSES	164,555	208,815	204,574	201,670	164,452
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	114,001	16,907	59,889	62,335	53,815
8	OTHER TAXES - OPERATING	125,176	137,902	124,508	100,684	83,515
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	137,854	104,951	110,085	119,486	107,630
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	6,500	6,500	6,500	6,500	6,169
11	EARNINGS AVAILABLE FOR COMMON EQUITY	148,146	59,753	85,463	84,703	92,490
12	TOTAL	$ 1,633,876	$ 1,559,294	$ 1,388,265	$ 1,294,719	$ 1,061,126
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	26.2	24.4	25.1	25.3	23.3
14	OTHER OPERATION AND MAINTENANCE EXPENSES	31.2	41.3	32.3	30.3	28.8
15	DEPRECIATION AND AMORTIZATION EXPENSES	10.1	13.4	14.7	15.6	15.5
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	7.0	1.1	4.3	4.8	5.1
18	OTHER TAXES - OPERATING	7.7	8.8	9.0	7.8	7.9
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8.4	6.7	7.9	9.2	10.1
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.4	0.4	0.5	0.5	0.6
21	EARNINGS AVAILABLE FOR COMMON EQUITY	9.1	3.8	6.2	6.5	8.7
22	TOTAL	100.0	100.0	100.0	100.0	100.0
			DOLLARS PER AVERAGE ACCESS LINE PER MONTH			
23	WAGES AND BENEFITS	$ 14.11	$ 12.81	$ 12.44	$ 12.03	$ 9.18
24	OTHER OPERATION AND MAINTENANCE EXPENSES	16.82	21.74	16.00	14.40	11.36
25	DEPRECIATION AND AMORTIZATION EXPENSES	5.43	7.04	7.30	7.41	6.11
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	3.76	0.57	2.13	2.29	2.00
28	OTHER TAXES - OPERATING	4.13	4.65	4.44	3.70	3.10
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.55	3.54	3.93	4.39	4.00
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.21	0.22	0.23	0.24	0.23
31	EARNINGS AVAILABLE FOR COMMON EQUITY	4.89	2.02	3.05	3.11	3.43
32	TOTAL	$ 53.90	$ 52.60	$ 49.51	$ 47.57	$ 39.41

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CITIZENS TELEPHONE CO. OF HAMMOND,N.Y.,INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 1,753,537	$ 1,654,821	$ 1,591,732	$ 1,488,941	$ 1,327,777
2	ACCUMULATED PROVISION FOR DEPR+AMORT	475,875	384,847	332,664	258,158	200,979
3	NET TELEPHONE PLANT	1,277,662	1,269,974	1,259,068	1,230,783	1,126,798
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	5,406	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	5,000	450	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	10,406	450	-	-	-
9	CASH AND WORKING FUNDS	18,780	13,819	1,996	78,936	23,495
10	SPECIAL CASH DEPOSITS	22,256	19,226	151,632	-	24,048
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	90,543	59,187	38,198	32,303	46,689
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	37,049	41,376	8,682	8,341	7,969
15	MATERIALS AND SUPPLIES*	8,120	15,436	15,359	10,736	13,258
16	PREPAYMENTS	12,921	10,106	12,796	13,553	9,877
17	OTHER CURRENT AND ACCRUED ASSETS	-	5,308	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	189,669	164,458	228,663	143,869	125,336
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	11,924	1,250	12,796	13,232	13,669
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	12,360	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	11,019	2,881	1,938	1,885	1,635
23	TOTAL DEFERRED DEBITS	22,943	16,491	14,734	15,117	15,304
24	TOTAL ASSETS AND OTHER DEBITS	1,500,680 $	1,451,373 $	1,500,465 $	1,389,770 $	1,267,438
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 42,000	$ 42,000	$ 42,000	$ 42,000	$ 42,000
26	PREFERRED CAPITAL STOCK	19,200	19,200	19,200	19,200	19,200
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	63,093	17,019	23,716-	26,046	49,993-
34	TOTAL PROPRIETARY CAPITAL	124,293	78,219	37,484	87,246	11,207
35	BONDS(LESS BONDS REACQUIRED)	1,013,114	1,013,120	1,072,849	1,100,638	1,122,640
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	1,013,114	1,013,120	1,072,849	1,100,638	1,122,640
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	144,528	140,887	237,876	175,589	114,645
41	CUSTOMERS'DEPOSITS	2,380	1,185	1,360	1,230	1,000
42	ADVANCE BILLING AND PAYMENTS	2,834	-	2,980	3,490	3,390
43	TAXES ACCRUED	16,238	23,054	10,903	6,986	8,873
44	OTHER CURRENT AND ACCRUED LIABILITIES	11,344	44,161	160	5,502	5,683
45	TOTAL CURRENT AND ACCRUED LIABILITIES	177,302	209,287	253,279	192,797	133,591
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	23,647	-	-	-	-
48	OTHER DEFERRED CREDITS	130,924	-	122,339	-	-
49	TOTAL DEFERRED CREDITS	154,571	-	122,339	-	-
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	31,400	150,747	14,514	9,089	-
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,500,680 $	1,451,373 $	1,500,465 $	1,389,770 $	1,267,438
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.38	2.82	2.90	2.75	3.46
54	CURRENT ASSETS/CURRENT LIABILITIES	1.07	0.79	0.89	0.75	0.94
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	89.0	92.8	96.6	92.6	99.0
56	PREFERRED STOCK	1.6	1.7	1.7	1.6	1.6
57	COMMON STOCK+OTHER PAID-IN CAPITAL	3.6	3.8	3.7	3.5	3.7
58	RETAINED EARNINGS	5.5	1.5	2.0-	2.1	4.3-
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	57.7	61.2	67.4	73.9	84.5
60	PERCENT OF NET TELEPHONE PLANT	79.2	79.7	85.2	89.4	99.6
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	27.1	23.2	20.8	17.3	15.1

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CITIZENS TELEPHONE CO. OF HAMMOND,N.Y.,INC

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 715,208	$ 575,492	$ 531,215	$ 511,579	$ 383,071	1
OPERATION AND MAINTENANCE EXPENSE	476,258	388,910	358,805	293,293	241,467	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	72,308	69,778	65,863	61,599	52,597	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	60,159	60,914	48,953	45,829	37,038	6
INCOME TAXES-OPERATING	23,647	5,542	-	-	-	7
OPERATING INCOME TAXES DEFERRED	11,577	-	5,425	9,089	-	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	-	-	-	-	9
TOTAL OPERATING EXPENSES	643,947	525,144	479,046	409,810	331,102	10
TOTAL TELEPHONE OPERATING INCOME	71,261	50,348	52,169	101,769	51,969	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	-	388	371	4,488	599	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	1,380-	-	-	-	16
MISCELLANEOUS INCOME	587	-	249	-	-	17
TOTAL OTHER INCOME	587	992-	620	4,488	599	18
TOTAL INCOME	71,848	49,356	52,789	106,257	52,568	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	2,215	1,892	1,692	2,773	2,936	22
TOTAL INCOME DEDUCTIONS	2,215	1,892	1,692	2,773	2,936	23
INCOME BEFORE INTEREST CHARGES	69,633	47,464	51,097	103,484	49,632	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	20,456	21,777	21,777	22,185	21,161	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	436	436	436	436	436	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	1,516	4,976	-	3,672	5,644	29
TOTAL INTEREST CHARGES	22,408	27,189	22,213	26,293	27,241	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	47,225	20,275	28,884	77,191	22,391	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME	$ 47,225	$ 20,275	$ 28,884	$ 77,191	$ 22,391	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 17,019	$ 23,716-	$ 26,046	$ 49,993-	$ 71,232-	37
BALANCE TRANSFERRED FROM INCOME	47,225	20,275	28,884	77,191	22,391	38
MISCELLANEOUS CREDITS	-	21,612	-	-	-	39
MISCELLANEOUS DEBITS	-	-	78,646	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	1,152	1,152	-	1,152	1,152	42
-COMMON STOCK	-	-	-	-	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	63,093	17,019	23,716-	26,046	49,993-	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 63,093	$ 17,019	$ 23,716-	$ 26,046	$ 49,993-	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	66.5	67.5	67.5	57.3	63.0	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	10.1	12.1	12.3	12.0	13.7	49
TOTAL INCOME TAXES-OPERATING	4.9	1.0	1.0	1.8	-	50
OTHER TAXES-OPERATING	8.4	10.5	9.2	8.9	9.6	51
TOTAL OPERATING EXPENSES	90.0	91.2	90.1	80.1	86.4	52
OPERATING INCOME	9.9	8.7	9.8	19.8	13.5	53
DEPR. AND AMORT % OF TELEPHONE PLANT	4.1	4.2	4.1	4.1	3.9	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	3.1	4.7	4.2	5.1	7.1	55
PRETAX INTEREST COVERAGE	4.7	1.9	2.5	4.3	1.8	56
NET INCOME-PERCENT OF OPERATING REVENUES	6.6	3.5	5.4	15.0	5.8	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.1	0.2	-	0.2	0.3	58
TIMES EARNED	41.0	17.6	-	67.0	19.4	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	-	-	-	-	-	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	58.1	49.4	66.9	-	-	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	-	-	-	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CITIZENS TELEPHONE CO. OF HAMMOND, N.Y., INC

LINE NO.	ITEM		1985		1984		1983		1982		1981
	FUNDS PROVIDED										
	INTERNAL SOURCES:										
1	INCOME BEFORE EXTRAORDINARY ITEMS	$	47,225	$	20,275	$	28,884	$	77,191	$	22,391
	NON-CASH CHARGES (CREDITS) TO INCOME										
2	DEPRECIATION AND AMORTIZATION		70,974		77,566		76,633		70,986		60,988
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)		35,224		5,542		5,425		9,089		-
4	INTEREST CAPITALIZED		-		-		-		-		-
5	OTHER (NET)		-		-		-		-		-
6											
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS		153,423		103,383		110,942		157,266		83,379
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES		-		-		-		-		-
9	TOTAL FUNDS FROM INTERNAL SOURCES		153,423		103,383		110,942		157,266		83,379
10	LESS DIVIDENDS: PREFERRED		1,152		1,152		-		1,152		1,152
11	COMMON		-		-		-		-		-
12	NET FUNDS FROM INTERNAL SOURCES		152,271		102,231		110,942		156,114		82,227
	EXTERNAL SOURCES										
13	LONG TERM DEBT		-		-		-		5,380		161,840
14	PREFERRED STOCK		-		-		-		-		-
15	COMMON STOCK		-		-		-		-		-
16	NET INCREASE IN SHORT TERM DEBT		-		-		1,004		40,000		-
17	OTHER (NET)		-		-		-		-		-
18											
19	TOTAL FUNDS FROM EXTERNAL SOURCES		-		-		1,004		45,380		161,840
20	OTHER SOURCES (NET)		-		19,785		123,043		10,734		31,307
21											
22											
23	TOTAL FUNDS PROVIDED	$	152,271	$	122,016	$	234,989	$	212,228	$	275,174
	FUNDS APPLIED										
	CONSTRUCTION EXPENDITURES										
	GROSS ADDITIONS										
24	TELEPHONE PLANT	$	78,226	$	88,035	$	104,481	$	180,921	$	62,719
25	NON-UTILITY PLANT		4,956		450		-		-		-
26	OTHER		-		-		-		-		-
27	TOTAL GROSS ADDITIONS		83,182		88,485		104,481		180,921		62,719
28	LESS INTEREST CAPITALIZED		-		-		-		-		-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED		83,182		88,485		104,481		180,921		62,719
	RETIREMENT OF DEBT AND SECURITIES										
30	LONG TERM DEBT		30,921		32,587		27,789		27,382		20,397
31	PREFERRED STOCK		-		-		-		-		-
32	REDEMPTION OF CAPITAL STOCK		-		-		-		-		-
33	NET DECREASE IN SHORT TERM DEBT		-		-		-		-		-
34	OTHER (NET)		14,702		-		-		-		-
35											
36	TOTAL RETIREMENT OF DEBT AND SECURITIES		45,623		32,587		27,789		27,382		20,397
37	OTHER USES (NET)		23,466		944		102,719		3,925		192,058
38											
39											
40	TOTAL FUNDS APPLIED	$	152,271	$	122,016	$	234,989	$	212,228	$	275,174

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

CITIZENS TELEPHONE CO. OF HAMMOND,N.Y.,INC

TELEPHONE OPERATING REVENUES

ITEM		1985	1984	1983	1982	1981	LINE NO
OPERATING REVENUES							
LOCAL REVENUES	$	121,499 $	111,845 $	78,901 $	115,399 $	111,454	1
ACCESS REVENUES		129,027					2
TOLL REVENUES		461,586	463,695	455,060	391,299	273,234	3
MISCELLANEOUS REVENUES		1,414	3,444	2,154	6,081	2,683	4
UNCOLLECTIBLE REVENUES-DR		1,200	3,492	4,900	1,200	4,300	5
TOTAL TELEPHONE OPERATING REVENUE	$	712,328 $	575,492 $	531,215 $	511,579 $	383,071	6
TELEPHONE ACCESS LINES IN SERVICE		1,098	938	1,011	960	951	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 119.59	$ 114.89	$ 80.06	$ 120.77	$ 118.32	8
ACCESS REVENUE		127.00					9
TOLL REVENUE		454.32	476.32	461.76	409.52	290.06	10

*YEAR END AVERAGE

TELEPHONE OPERATION AND MAINTENANCE EXPENSES

ITEM		1985	1984	1983	1982	1981	LINE NO
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	210,557 $	192,179 $	144,309 $	130,487 $	87,738	11
DEPRECIATION + AMORTIZATION EXPENSES		72,308	69,778	65,863	61,599	52,597	12
TRAFFIC EXPENSES		28,727	5,568	4,609	4,893	3,040	13
COMMERCIAL EXPENSES		25,089	24,449	20,503	19,968	12,750	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		123,827	98,744	73,748	73,568	55,518	16
OTHER OPERATING EXPENSES		88,258	67,970	115,636	64,377	82,421	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	548,564 $	458,683 $	424,668 $	354,892 $	294,064	18

TELEPHONE UTILITY PLANT

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	1,656,220 $	1,620,312 $	1,364,001 $	1,339,512 $	1,270,595	19
PLANT UNDER CONSTRUCTION		73,632	9,132	200,662	120,668	26,726	20
PROPERTY HELD FOR FUTURE USE		-	25,377	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		23,685	-	27,069	28,761	30,456	22
PLANT ADJUSTMENTS		-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT		1,753,537	1,654,821	1,591,732	1,488,941	1,327,777	24
ACCUMULATED PROVISION FOR DEPR+AMORT		475,875	384,847	332,664	258,158	200,979	25
NET TELEPHONE PLANT	$	1,277,662 $	1,269,974 $	1,259,068 $	1,230,783 $	1,126,798	26
PLANT IN SERVICE BEGINNING OF YEAR	$	1,620,312 $	1,364,001 $	1,339,512 $	1,270,595 $	814,597	27
ADDITIONS		35,908	285,909	24,877	86,979	510,013	28
RETIREMENTS		-	29,598	-	18,062	54,015	29
TRANSFERS AND ADJUSTMENTS		-	-	388-	-	-	30
PLANT IN SERVICE END OF YEAR	$	1,656,220 $	1,620,312 $	1,364,001 $	1,339,512 $	1,270,595	31

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MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

CITIZENS TELEPHONE CO. OF HAMMOND,N.Y.,INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 715,208	$ 575,492	$ 531,215	$ 511,579	$ 383,071
2	ACCESS LINES (AVERAGE*)	1,016	974	986	956	942
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 196,312	$ 173,430	$ 130,513	$ 114,460	$ 73,806
4	OTHER OPERATION AND MAINTENANCE EXPENSES	279,946	215,480	228,292	178,833	167,661
5	DEPRECIATION AND AMORTIZATION EXPENSES	72,308	69,778	65,863	61,599	52,597
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	35,224	5,542	5,425	9,089	-
8	OTHER TAXES - OPERATING	60,159	60,914	48,953	45,829	37,038
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	22,408	27,189	22,213	26,293	27,241
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1,152	1,152	-	1,152	1,152
11	EARNINGS AVAILABLE FOR COMMON EQUITY	47,701	22,007	29,956	74,324	23,576
12	TOTAL	$ 715,208	$ 575,492	$ 531,215	$ 511,579	$ 383,071
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	27.4	30.1	24.6	22.4	19.3
14	OTHER OPERATION AND MAINTENANCE EXPENSES	39.1	37.4	43.0	35.0	43.8
15	DEPRECIATION AND AMORTIZATION EXPENSES	10.1	12.1	12.4	12.0	13.7
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	4.9	1.0	1.0	1.8	-
18	OTHER TAXES - OPERATING	8.4	10.6	9.2	9.0	9.7
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.1	4.7	4.2	5.1	7.1
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.2	0.2	-	0.2	0.3
21	EARNINGS AVAILABLE FOR COMMON EQUITY	6.7	3.8	5.6	14.5	6.2
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 16.10	$ 14.85	$ 11.04	$ 9.98	$ 6.53
24	OTHER OPERATION AND MAINTENANCE EXPENSES	22.96	18.45	19.30	15.60	14.83
25	DEPRECIATION AND AMORTIZATION EXPENSES	5.93	5.97	5.57	5.37	4.65
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	2.89	0.47	0.46	0.79	-
28	OTHER TAXES - OPERATING	4.93	5.21	4.14	4.00	3.28
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1.84	2.33	1.88	2.29	2.41
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.09	0.10	-	0.10	0.10
31	EARNINGS AVAILABLE FOR COMMON EQUITY	3.91	1.88	2.53	6.48	2.09
32	TOTAL	$ 58.66	$ 49.26	$ 44.92	$ 44.62	$ 33.89

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CLYMER TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 1,378,751	$ 1,373,642	$ 1,284,711	$ 1,251,962	$ 1,180,719
2	ACCUMULATED PROVISION FOR DEPR+AMORT	554,335	510,371	451,263	399,045	382,257
3	NET TELEPHONE PLANT	824,416	863,271	833,448	852,917	798,462
4	INVESTMENTS IN AFFILIATED COMPANIES	-		-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	533-	22	2,014	-	-
7	OTHER INVESTMENTS AND FUNDS	12,498	11,575	10,717	9,929	9,292
8	TOTAL INVESTMENTS AND FUNDS	11,965	11,597	12,731	9,929	9,292
9	CASH AND WORKING FUNDS	140,217	82,153	69,513	42,282	57,509
10	SPECIAL CASH DEPOSITS	-	150	-	-	-
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	34,134	13,329	6,037	278	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	19,934-	79,128	3,730	20,125	214
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	44,612	39,027	46,140	38,283	38,666
15	MATERIALS AND SUPPLIES*	5,262	12,674	13,939	11,309	8,948
16	PREPAYMENTS	7,369	8,798	9,649	8,569	7,735
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	211,660	235,259	149,008	120,846	113,072
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	5,364	5,576	5,788	6,001	6,213
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	2,034	4,898	2,895	2,566	2,139
23	TOTAL DEFERRED DEBITS	7,398	10,474	8,683	8,567	8,352
24	TOTAL ASSETS AND OTHER DEBITS	1,055,439	$ 1,120,601	$ 1,003,870	$ 992,259	$ 929,178
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 19,900	$ 19,900	$ 19,900	$ 19,900	$ 19,900
26	PREFERRED CAPITAL STOCK	40,000	40,000	40,000	40,000	40,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	500	500	500	500	500
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	248,238	243,950	216,764	199,315	189,293
34	TOTAL PROPRIETARY CAPITAL	308,638	304,350	277,164	259,715	249,693
35	BONDS(LESS BONDS REACQUIRED)	-	-	-	-	-
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	567,346	577,551	587,205	596,374	604,850
38	TOTAL LONG-TERM DEBT	567,346	577,551	587,205	596,374	604,850
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	1,928-	17,625	15,840	14,384	7,747
40	OTHER NOTES AND ACCOUNTS PAYABLE	47,248	82,657	4,327	3,017	7,463
41	CUSTOMERS' DEPOSITS	880	1,715	1,520	1,030	970
42	ADVANCE BILLING AND PAYMENTS	294	322	245	239	142
43	TAXES ACCRUED	17,963-	7,713	8,190	21,603	217-
44	OTHER CURRENT AND ACCRUED LIABILITIES	14,371	14,792	8,932	7,914	9,437
45	TOTAL CURRENT AND ACCRUED LIABILITIES	42,902	124,824	39,054	48,187	25,542
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM DEFERRED INVESTMENT TAX CREDITS	41,625	39,059	35,817	36,159	26,095
48	OTHER DEFERRED CREDITS	49	49	-	-	-
49	TOTAL DEFERRED CREDITS	41,674	39,108	35,817	36,159	26,095
50	OPERATING RESERVES	2,528	3,331	7,200	6,400	6,400
51	ACCUMULATED DEFERRED INCOME TAXES	92,351	71,437	57,430	45,424	16,598
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,055,439	$ 1,120,601	$ 1,003,870	$ 992,259	$ 929,178
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	3.05	2.89	2.82	3.00	3.84
54	CURRENT ASSETS/CURRENT LIABILITIES	4.93	1.88	3.82	2.51	4.43
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	64.7	65.4	67.9	69.6	70.7
56	PREFERRED STOCK	4.5	4.5	4.6	4.6	4.6
57	COMMON STOCK+OTHER PAID-IN CAPITAL	2.3	2.3	2.3	2.3	2.3
58	RETAINED EARNINGS	28.3	27.6	25.0	23.2	22.1
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	41.1	42.0	45.7	47.6	51.2
60	PERCENT OF NET TELEPHONE PLANT	68.8	66.9	70.4	69.9	75.7
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	40.2	37.1	35.1	31.8	32.3

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CLYMER TELEPHONE COMPANY, INC

ITEM	1985	1984	1983	1982	1981	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 450,750	$ 460,395	$ 449,091	$ 405,155	$ 296,788	1
OPERATION AND MAINTENANCE EXPENSE	228,333	227,918	231,687	184,862	156,814	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	63,128	60,398	59,009	56,701	52,749	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	36,785	49,841	46,517	33,865	31,461	6
INCOME TAXES-OPERATING	4,315	20,463	23,432	26,934	3,956	7
OPERATING INCOME TAXES DEFERRED	26,133	19,612	19,232	17,546	4,294	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	5,219-	5,605-	7,226-	948	915-	9
TOTAL OPERATING EXPENSES	353,475	372,627	372,651	320,856	248,359	10
TOTAL TELEPHONE OPERATING INCOME	97,275	87,768	76,440	84,299	48,429	11
OTHER INCOME						
DIVIDEND INCOME	923	858	788	637	4,042	12
INTEREST INCOME	6,610	6,910	3,881	5,044	8,958	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	1	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	1,457	693-	2,602-	58	38-	17
TOTAL OTHER INCOME	8,990	7,076	2,067	5,739	12,962	18
TOTAL INCOME	106,265	94,844	78,507	90,038	61,391	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	11	23	-	-	-	20
INCOME TAXES-NONOPERATING	1,921	1,145	1,754	7,064	4,096	21
MISCELLANEOUS INCOME CHARGES	147	161	68	85	18	22
TOTAL INCOME DEDUCTIONS	2,079	1,329	1,822	7,149	4,114	23
INCOME BEFORE INTEREST CHARGES	104,186	93,515	76,685	82,889	57,277	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	31,149	31,707	32,194	32,701	32,504	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	212	212	212	212	212	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	466	169	148	157	158	29
TOTAL INTEREST CHARGES	31,827	32,088	32,554	33,070	32,874	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	72,359	61,427	44,131	49,819	24,403	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	10,332-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	10,332-	-	35
NET INCOME	$ 72,359	$ 61,427	$ 44,131	$ 39,487	$ 24,403	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 243,950	$ 216,763	$ 199,315	$ 189,294	$ 178,978	37
BALANCE TRANSFERRED FROM INCOME	72,360	61,427	44,131	39,487	24,403	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	2,800	2,798	2,802	2,800	3,033	42
-COMMON STOCK	65,272	31,442	23,880	26,666	9,055	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	248,238	243,950	216,764	199,315	189,293	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 248,238	$ 243,950	$ 216,764	$ 199,315	$ 189,293	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	50.6	49.5	51.5	45.6	52.8	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	14.0	13.1	13.1	13.9	17.7	49
TOTAL INCOME TAXES-OPERATING	5.6	7.5	7.9	11.2	2.5	50
OTHER TAXES-OPERATING	8.1	10.8	10.3	8.3	10.6	51
TOTAL OPERATING EXPENSES	78.4	80.9	82.9	79.1	83.6	52
OPERATING INCOME	21.5	19.0	17.0	20.8	16.3	53
DEPR. AND AMORT % OF TELEPHONE PLANT	4.5	4.3	4.5	4.5	4.4	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	7.1	7.0	7.2	8.2	11.1	55
PRETAX INTEREST COVERAGE	4.0	3.9	3.5	4.1	2.1	56
NET INCOME-PERCENT OF OPERATING REVENUES	16.0	13.3	9.8	9.7	8.2	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.6	0.6	0.6	0.6	1.0	58
TIMES EARNED	25.8	22.0	15.7	14.1	8.0	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	14.4	6.8	5.3	6.5	3.0	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	93.8	53.6	57.7	72.6	42.3	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	26.1	23.3	18.0	17.0	10.4	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	24.4	12.5	10.4	12.4	4.4	63

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MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CLYMER TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 72,360	$ 61,427	$ 44,131	$ 49,820	$ 24,407
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	63,340	60,610	60,496	56,913	53,943
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	23,480	17,249	11,664	38,890	13,197
4	INTEREST CAPITALIZED	-	1-	-	-	-
5	OTHER (NET):	4,187	3,134	-	1,035	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	163,367	142,419	116,291	146,658	91,547
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	10,332-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	163,367	142,419	116,291	136,326	91,547
10	LESS DIVIDENDS: PREFERRED	2,800	2,799	2,802	2,800	3,033
11	COMMON	65,272	31,442	23,880	26,666	9,055
12	NET FUNDS FROM INTERNAL SOURCES	95,295	108,178	89,609	106,860	79,459
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	28,624
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	28,624
20	OTHER SOURCES (NET)	695-	140	5,595	28,980	6,586
21						
22						
23	TOTAL FUNDS PROVIDED	$ 94,600	$ 108,318	$ 95,204	$ 135,840	$ 114,669
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 28,133	$ 93,495	$ 46,409	$ 127,364	$ 106,821
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	28,133	93,495	46,409	127,364	106,821
28	LESS INTEREST CAPITALIZED	-	1	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	28,133	93,494	46,409	127,364	106,821
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	10,205	9,654	9,169	8,476	7,848
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	10,205	9,654	9,169	8,476	7,848
37	OTHER USES (NET)	56,262	5,170	39,626	-	-
38						
39						
40	TOTAL FUNDS APPLIED	$ 94,600	$ 108,318	$ 95,204	$ 135,840	$ 114,669

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

CLYMER TELEPHONE COMPANY, INC

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	132,445 $	130,752 $	124,900 $	116,894 $	116,031	1
ACCESS REVENUES		201,296					2
TOLL REVENUES		99,342	307,616	322,788	287,712	180,919	3
MISCELLANEOUS REVENUES		18,387	22,827	3,578	2,254	338	4
UNCOLLECTIBLE REVENUES-DR		720	800	2,175	1,705	500	5
TOTAL TELEPHONE OPERATING REVENUE	$	450,750 $	460,395 $	449,091 $	405,155 $	296,788	6
TELEPHONE ACCESS LINES IN SERVICE		861	842	828	823	811	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 153 74	$ 156 59	$ 151 30	$ 143 08	$ 145 68	8
ACCESS REVENUE		233 66					9
TOLL REVENUE		115 31	368 40	391 02	352 16	227 14	10

*YEAR END AVERAGE

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	62,336 $	58,805 $	73,548 $	62,044 $	46,487	11
DEPRECIATION + AMORTIZATION EXPENSES		63,128	60,398	59,009	56,701	52,749	12
TRAFFIC EXPENSES		15,019	9,889	5,300	4,097	7,378	13
COMMERCIAL EXPENSES		45,014	51,944	48,522	40,792	35,584	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		88,139	84,572	71,751	59,188	43,793	16
OTHER OPERATING EXPENSES		17,825	22,308	32,566	18,741	23,572	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	291,461 $	288,316 $	290,696 $	241,563 $	209,563	18
TELEPHONE UTILITY PLANT							
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	1,370,368 $	1,346,154 $	1,276,724 $	1,251,962 $	1,179,392	19
PLANT UNDER CONSTRUCTION		8,383	27,488	7,987	-	1,327	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-	-	22
PLANT ADJUSTMENTS		-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT		1,378,751	1,373,642	1,284,711	1,251,962	1,180,719	24
ACCUMULATED PROVISION FOR DEPR+AMORT		554,335	510,371	451,263	399,045	382,257	25
NET TELEPHONE PLANT	$	824,416 $	863,271 $	833,448 $	852,917 $	798,462	26
PLANT IN SERVICE BEGINNING OF YEAR	$	1,346,154 $	1,276,724 $	1,251,962 $	1,179,392 $	1,091,205	27
ADDITIONS		46,842	73,993	38,422	128,691	111,945	28
RETIREMENTS		22,628	4,563	13,660	56,121	23,758	29
TRANSFERS AND ADJUSTMENTS		-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$	1,370,368 $	1,346,154 $	1,276,724 $	1,251,962 $	1,179,392	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

CLYMER TELEPHONE COMPANY, INC

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 450,750	$ 480,395	$ 449,091	$ 405,155	$ 296,788
2	ACCESS LINES (AVERAGE*)	862	835	826	817	797
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 45,258	$ 56,562	$ 60,816	$ 53,093	$ 50,868
4	OTHER OPERATION AND MAINTENANCE EXPENSES	183,075	171,356	170,871	131,769	105,946
5	DEPRECIATION AND AMORTIZATION EXPENSES	63,128	60,398	59,009	56,701	52,749
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	25,229	34,470	35,438	45,428	7,335
8	OTHER TAXES - OPERATING	36,785	49,841	46,517	33,865	31,461
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	31,827	32,088	32,554	33,070	32,874
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	2,800	2,798	2,802	2,800	3,033
11	EARNINGS AVAILABLE FOR COMMON EQUITY	62,643	52,882	41,084	48,429	12,522
12	TOTAL	$ 450,750	$ 480,395	$ 449,091	$ 405,155	$ 296,788
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	10.0	12.3	13.5	13.1	17.1
14	OTHER OPERATION AND MAINTENANCE EXPENSES	40.6	37.2	38.0	32.5	35.7
15	DEPRECIATION AND AMORTIZATION EXPENSES	14.0	13.1	13.1	14.0	17.8
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	5.6	7.5	7.9	11.2	2.5
18	OTHER TAXES - OPERATING	8.2	10.8	10.4	8.4	10.6
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.1	7.0	7.2	8.2	11.1
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.6	0.6	0.6	0.7	1.0
21	EARNINGS AVAILABLE FOR COMMON EQUITY	13.9	11.5	9.1	12.0	4.2
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 4.38	$ 5.64	$ 6.14	$ 5.42	$ 5.32
24	OTHER OPERATION AND MAINTENANCE EXPENSES	17.71	17.10	17.25	13.44	11.08
25	DEPRECIATION AND AMORTIZATION EXPENSES	6.11	6.03	5.96	5.78	5.52
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	2.44	3.44	3.58	4.63	0.77
28	OTHER TAXES - OPERATING	3.56	4.97	4.70	3.45	3.29
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.08	3.20	3.29	3.37	3.44
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.27	0.28	0.28	0.29	0.32
31	EARNINGS AVAILABLE FOR COMMON EQUITY	6.06	5.28	4.15	4.94	1.31
32	TOTAL	$ 43.60	$ 45.95	$ 45.34	$ 41.33	$ 31.05

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CONTINENTAL TELEPHONE COMPANY OF NEW YORK, INC

LINE NO	ITEM	1985	1984	1983	1982	1981
		ASSETS AND OTHER DEBITS				
1	TELEPHONE PLANT	$ 363,285,097	$ 343,011,267	$ 327,175,281	-	-
2	ACCUMULATED PROVISION FOR DEPR+AMORT	113,198,993	107,766,676	101,366,529	-	-
3	NET TELEPHONE PLANT	250,086,104	235,244,591	225,808,752	-	-
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	226,157	85,330	90,648	-	-
7	OTHER INVESTMENTS AND FUNDS	215,900	215,900	215,900	-	-
8	TOTAL INVESTMENTS AND FUNDS	442,057	301,230	306,548	-	-
9	CASH AND WORKING FUNDS	9,233,205	4,482,386	3,430,689	-	-
10	SPECIAL CASH DEPOSITS	777,500	313,300	22,951	-	-
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	242,272	247,020	179,274	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	17,765,196	12,180,686	8,690,737	-	-
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	17,850,344	14,047,969	13,028,931	-	-
15	MATERIALS AND SUPPLIES*	1,746,834	3,655,872	2,275,135	-	-
16	PREPAYMENTS	2,093,279	2,166,656	2,152,476	-	-
17	OTHER CURRENT AND ACCRUED ASSETS	2,868,097	1,000,920	539,597	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	52,576,727	38,074,797	30,317,790	-	-
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	1,906,928	1,911,247	1,851,085	-	-
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	404,801	315,307	106,793	-	-
23	TOTAL DEFERRED DEBITS	2,311,729	2,226,554	1,957,878	-	-
24	TOTAL ASSETS AND OTHER DEBITS	305,416,617	$ 275,847,172	$ 258,390,968	-	-
		LIABILITIES AND OTHER CREDITS				
25	COMMON CAPITAL STOCK	$ 37,000,000	$ 37,000,000	$ 37,000,000	-	-
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	1,736,960	1,736,960	1,736,960	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	25,267,932	25,267,932	25,267,932	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	34,583,879	31,218,824	32,662,817	-	-
34	TOTAL PROPRIETARY CAPITAL	98,588,771	95,223,716	96,667,709	-	-
35	BONDS(LESS BONDS REACQUIRED)	96,273,367	100,015,124	87,049,275	-	-
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	15,000,000	-	-	-	-
38	TOTAL LONG-TERM DEBT	111,273,367	100,015,124	87,049,275	-	-
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	1,255,974	2,521,711	2,595,998	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	24,778,109	15,047,890	18,349,200	-	-
41	CUSTOMERS' DEPOSITS	348,308	770,501	761,456	-	-
42	ADVANCE BILLING AND PAYMENTS	7,653,813	6,688,199	3,820,447	-	-
43	TAXES ACCRUED	2,805,771	4,142,011	1,737,938	-	-
44	OTHER CURRENT AND ACCRUED LIABILITIES	8,344,073	8,240,305	8,784,807	-	-
45	TOTAL CURRENT AND ACCRUED LIABILITIES	45,186,048	37,410,617	36,049,846	-	-
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	15,684,730	14,298,953	12,682,891	-	-
48	OTHER DEFERRED CREDITS	2,184,443	2,142,093	2,139,975	-	-
49	TOTAL DEFERRED CREDITS	17,869,173	16,441,046	14,822,866	-	-
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	32,499,268	26,756,669	23,801,272	-	-
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 305,416,617	$ 275,847,172	$ 258,390,968	-	-
		SELECTED BALANCE SHEET RELATIONSHIPS				
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.51	2.60	2.73	-	-
54	CURRENT ASSETS/CURRENT LIABILITIES	1.16	1.02	0.84	-	-
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	53.0	51.2	47.3	-	-
56	PREFERRED STOCK	-	-	-	-	-
57	COMMON STOCK+OTHER PAID-IN CAPITAL	30.4	32.7	34.8	-	-
58	RETAINED EARNINGS	16.4	15.9	17.7	-	-
	LONG-TERM DEBT:					
59	PERCENT OF GROSS TELEPHONE PLANT	30.6	29.1	26.6	-	-
60	PERCENT OF NET TELEPHONE PLANT	44.4	42.5	38.5	-	-
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	31.1	31.4	30.9	-	-

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CONTINENTAL TELEPHONE COMPANY OF NEW YORK, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 140,889,280	$ 129,063,932	$ 117,176,227	-	-	1
OPERATION AND MAINTENANCE EXPENSE	66,951,172	61,773,859	56,587,500	-	-	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	20,591,643	21,583,944	20,931,371	-	-	4
AMORTIZATION	170,345	170,345	170,345	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	13,116,980	15,489,384	14,674,375	-	-	6
INCOME TAXES-OPERATING	8,012,276	6,083,664	3,726,872	-	-	7
OPERATING INCOME TAXES DEFERRED	6,041,463	4,120,987	3,106,030	-	-	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	29,042-	59,044-	89,232-	-	-	9
TOTAL OPERATING EXPENSES	114,854,837	109,163,139	99,107,261	-	-	10
TOTAL TELEPHONE OPERATING INCOME	26,034,443	19,900,793	18,068,966	-	-	11
OTHER INCOME						
DIVIDEND INCOME	170	160	140	-	-	12
INTEREST INCOME	291,252	427,538	219,218	-	-	13
ALLOWANCE FOR CONSTRUCTION FUNDS	582,014	557,714	586,347	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	18,641-	7,299-	1,586-	-	-	16
MISCELLANEOUS INCOME	3,313,336-	251,970	110,200	-	-	17
TOTAL OTHER INCOME	2,458,541-	1,230,083	914,319	-	-	18
TOTAL INCOME	23,575,902	21,130,876	18,983,285	-	-	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	285,744	217,272	304,357	-	-	20
INCOME TAXES-NONOPERATING	1,636,626-	10,621	84,554-	-	-	21
MISCELLANEOUS INCOME CHARGES	231,271	74,627	86,153	-	-	22
TOTAL INCOME DEDUCTIONS	1,119,611-	302,520	305,956	-	-	23
INCOME BEFORE INTEREST CHARGES	24,695,513	20,828,356	18,677,329	-	-	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	8,234,801	7,729,795	7,030,827	-	-	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	129,011	119,728	113,307	-	-	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	428,118	903,242	472,304	-	-	29
TOTAL INTEREST CHARGES	8,791,930	8,752,765	7,616,438	-	-	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	15,903,583	12,075,591	11,080,891	-	-	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	1,320	2,692	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	71,346-	37,586-	338-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	32,818-	16,682-	1,084	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	38,528-	19,584-	1,270	-	-	35
NET INCOME	$ 15,865,055	$ 12,056,007	$ 11,082,161	-	-	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 31,218,824	$ 32,662,817	$ 32,613,772	-	-	37
BALANCE TRANSFERRED FROM INCOME	15,865,055	12,056,007	11,082,161	-	-	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	33,116	-	-	42
-COMMON STOCK	12,500,000	13,500,000	11,000,000	-	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	34,583,879	31,218,824	32,662,817	-	-	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 34,583,879	$ 31,218,824	$ 32,662,817	-	-	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	47.5	47.8	48.2	-	-	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	14.7	16.8	18.0	-	-	49
TOTAL INCOME TAXES-OPERATING	10.0	7.9	5.8	-	-	50
OTHER TAXES-OPERATING	9.3	12.0	12.5	-	-	51
TOTAL OPERATING EXPENSES	81.5	84.6	84.5	-	-	52
OPERATING INCOME	18.4	15.4	15.4	-	-	53
DEPR. AND AMORT. % OF TELEPHONE PLANT	5.7	6.3	6.4	-	-	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	6.2	6.8	6.5	-	-	55
PRETAX INTEREST COVERAGE	4.2	3.5	3.3	-	-	56
NET INCOME-PERCENT OF OPERATING REVENUES	11.2	9.3	9.4	-	-	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	58
TIMES EARNED	-	-	-	-	-	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	8.8	10.4	9.3	-	-	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	78.7	111.9	99.5	-	-	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	16.3	12.5	11.4	-	-	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	12.8	14.0	11.4	-	-	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CONTINENTAL TELEPHONE COMPANY OF NEW YORK, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 15,903,583	$ 12,075,598	$ 11,080,891	-	-
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	21,056,299	21,884,508	21,208,010	-	-
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	7,310,195	5,373,430	4,600,178	-	-
4	INTEREST CAPITALIZED	582,014-	557,714-	586,347-	-	-
5	OTHER (NET)	2,982,239	2,352,742	1,443,257	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	46,670,302	41,128,564	37,725,989	-	-
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	38,528-	19,584-	1,270	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	46,631,774	41,108,980	37,727,259	-	-
10	LESS DIVIDENDS: PREFERRED	-	-	33,116	-	-
11	COMMON	12,500,000	13,500,000	11,000,000	-	-
12	NET FUNDS FROM INTERNAL SOURCES	34,131,774	27,608,980	26,694,143	-	-
	EXTERNAL SOURCES					
13	LONG TERM DEBT	15,000,000	15,000,000	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	9,800,000	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	15,000,000	15,000,000	9,800,000	-	-
20	OTHER SOURCES (NET)	-	2,617,932	630,955	-	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 49,131,774	$ 45,226,912	$ 37,125,098	-	-
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 38,751,040	$ 33,600,758	$ 34,030,826	-	-
25	NON-UTILITY PLANT	147,934	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	38,898,974	33,600,758	34,030,826	-	-
28	LESS INTEREST CAPITALIZED	582,014	557,714	586,347	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	38,316,960	33,043,044	33,444,479	-	-
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	3,741,787	2,034,151	2,117,323	-	-
31	PREFERRED STOCK	-	-	1,330,650	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	6,000,000	9,000,000	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	9,741,787	11,034,151	3,447,973	-	-
37	OTHER USES (NET)	1,073,047	1,149,717	232,646	-	-
38						
39						
40	TOTAL FUNDS APPLIED	$ 49,131,774	$ 45,226,912	$ 37,125,098	-	-

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

CONTINENTAL TELEPHONE COMPANY OF NEW YORK, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 48,122,699 $	45,178,289 $	41,162,036			1
ACCESS REVENUES	85,159,412					2
TOLL REVENUES	778,758	79,944,050	72,502,954	-	-	3
MISCELLANEOUS REVENUES	7,240,340	4,612,167	4,285,590	-	-	4
UNCOLLECTIBLE REVENUES-DR	411,929	870,574	774,353	-	-	5
TOTAL TELEPHONE OPERATING REVENUE	$ 140,889,280 $	129,063,032 $	117,176,227	-	-	6
TELEPHONE ACCESS LINES IN SERVICE	210,998	204,617	199,848			7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 231 57	$ 223.40	-	-		8
ACCESS REVENUE	409 80					9
TOLL REVENUE	3 75	395 31	-	-		10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 29,291,858 $	27,636,413 $	25,557,118	-	-	11
DEPRECIATION + AMORTIZATION EXPENSES	20,761,988	21,764,289	21,101,716	-	-	12
TRAFFIC EXPENSES	6,974,345	7,220,270	6,508,838	-	-	13
COMMERCIAL EXPENSES	8,048,905	7,173,798	6,997,274	-	-	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	10,832,196	9,859,290	8,430,870	-	-	16
OTHER OPERATING EXPENSES	11,803,468	9,884,890	9,093,400	-	-	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 87,713,160 $	83,537,948 $	77,689,216	-	-	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 353,620,942 $	335,195,525 $	322,142,932		-	19
PLANT UNDER CONSTRUCTION	8,573,833	6,554,576	3,600,339		-	20
PROPERTY HELD FOR FUTURE USE	-	-			-	21
PLANT ACQUISITION ADJUSTMENTS	733,811	904,655	1,075,499	-	-	22
PLANT ADJUSTMENTS	356,511	356,511	356,511		-	23
TOTAL TELEPHONE UTILITY PLANT	363,285,097	343,011,267	327,175,281		-	24
ACCUMULATED PROVISION FOR DEPR+AMORT	113,198,993	107,766,676	101,366,529		-	25
NET TELEPHONE PLANT	$ 250,086,104 $	235,244,591 $	225,808,752		-	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 335,195,525 $	322,142,932 $	306,173,081		-	27
ADDITIONS	36,887,946	30,646,521	34,270,642		-	28
RETIREMENTS	18,462,529	17,593,928	18,300,791		-	29
TRANSFERS AND ADJUSTMENTS	-	-	-		-	30
PLANT IN SERVICE END OF YEAR	$ 353,620,942 $	335,195,525 $	322,142,932	-	-	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

CONTINENTAL TELEPHONE COMPANY OF NEW YORK, INC

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 140,889,280	$ 129,083,932	$ 117,176,227		
2	ACCESS LINES (AVERAGE*)	207,808	202,233	-		
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 34,560,546	$ 35,621,999	$ 33,926,198		
4	OTHER OPERATION AND MAINTENANCE EXPENSES	32,390,626	26,151,660	22,661,302		
5	DEPRECIATION AND AMORTIZATION EXPENSES	20,761,988	21,764,289	21,101,716		
6	EXTRAORDINARY RETIREMENTS	-	-	-		
7	INCOME TAXES - OPERATING	14,024,697	10,135,807	6,743,670		
8	OTHER TAXES - OPERATING	13,116,980	15,489,384	14,674,375		
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8,603,939	8,524,660	7,380,727		
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	33,116		
11	EARNINGS AVAILABLE FOR COMMON EQUITY	17,430,504	11,376,133	10,655,123		
12	TOTAL	$ 140,889,280	$ 129,083,932	$ 117,176,227		
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	24.5	27.6	29.0		
14	OTHER OPERATION AND MAINTENANCE EXPENSES	23.0	20.3	19.3		
15	DEPRECIATION AND AMORTIZATION EXPENSES	14.7	16.9	18.0		
16	EXTRAORDINARY RETIREMENTS	-	-	-		
17	INCOME TAXES - OPERATING	10.0	7.9	5.8		
18	OTHER TAXES - OPERATING	9.3	12.0	12.5		
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	6.1	6.6	6.3		
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-		
21	EARNINGS AVAILABLE FOR COMMON EQUITY	12.4	8.8	9.1		
22	TOTAL	100.0	100.0	100.0		
			DOLLARS PER AVERAGE ACCESS LINE PER MONTH			
23	WAGES AND BENEFITS	$ 13.86	$ 14.68	-		
24	OTHER OPERATION AND MAINTENANCE EXPENSES	12.99	10.78	-		
25	DEPRECIATION AND AMORTIZATION EXPENSES	8.33	8.97	-		
26	EXTRAORDINARY RETIREMENTS	-	-	-		
27	INCOME TAXES - OPERATING	5.62	4.18	-		
28	OTHER TAXES - OPERATING	5.26	6.38	-		
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.45	3.51	-		
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-		
31	EARNINGS AVAILABLE FOR COMMON EQUITY	6.99	4.69	-		
32	TOTAL	$ 56.50	$ 53.18	-		

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CROWN POINT TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 1,535,802	$ 1,136,971	$ 1,118,316	$ 1,118,811	$ 998,135
2	ACCUMULATED PROVISION FOR DEPR+AMORT	532,158	457,704	389,535	316,019	282,184
3	NET TELEPHONE PLANT	1,003,644	679,267	728,781	802,792	715,951
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	8,000	-	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	8,000	-	-	-	-
9	CASH AND WORKING FUNDS	186,327	5,786	5,464	1,201	5,544
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	17,316	29,641	43,433	23,511	15,736
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	57,188	53,213	44,074	21,649	19,370
15	MATERIALS AND SUPPLIES*	23,778	30,771	21,725	5,573	10,598
16	PREPAYMENTS	13,674	12,946	11,551	10,237	8,410
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	2,596
18	TOTAL CURRENT AND ACCRUED ASSETS	298,283	132,356	126,247	62,171	62,254
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	11,342	11,616	11,891	5,773	6,047
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	415	1,386	143	7	-
23	TOTAL DEFERRED DEBITS	11,757	13,002	12,034	5,780	6,047
24	TOTAL ASSETS AND OTHER DEBITS	1,321,684	$ 824,625	$ 867,062	$ 870,743	$ 784,252
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 24,300	$ 24,300	$ 24,300	$ 24,300	$ 24,300
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	4,863	4,863	4,863	4,863	4,863
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	137,918	118,337	124,844	117,389	90,236
34	TOTAL PROPRIETARY CAPITAL	167,081	147,500	154,007	146,552	119,399
35	BONDS(LESS BONDS REACQUIRED)	891,521	566,838	509,615	522,916	535,748
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	9,243	19,243	29,243	39,243
38	TOTAL LONG-TERM DEBT	891,521	576,081	528,858	552,159	574,991
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	239,824	73,927	152,966	144,493	72,245
41	CUSTOMERS' DEPOSITS	3,251	2,113	2,672	3,084	3,336
42	ADVANCE BILLING AND PAYMENTS	-	-	-	-	-
43	TAXES ACCRUED	5,257-	353	3,835	2,168	362
44	OTHER CURRENT AND ACCRUED LIABILITIES	11,631	13,370	13,381	11,905	8,789
45	TOTAL CURRENT AND ACCRUED LIABILITIES	249,449	89,763	172,854	161,650	84,732
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	3,241	3,571	3,901	4,231	3,976
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	3,241	3,571	3,901	4,231	3,976
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	10,392	7,710	7,442	6,151	1,154
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,321,684	$ 824,625	$ 867,062	$ 870,743	$ 784,252
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.50	2.28	2.42	2.59	2.86
54	CURRENT ASSETS/CURRENT LIABILITIES	1.20	1.47	0.73	0.38	0.73
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	84.2	79.6	77.4	79.0	82.8
56	PREFERRED STOCK	-	-	-	-	-
57	COMMON STOCK+OTHER PAID-IN CAPITAL	2.7	4.0	4.2	4.1	4.1
58	RETAINED EARNINGS	13.0	16.3	18.2	16.8	12.9
	LONG-TERM DEBT:					
59	PERCENT OF GROSS TELEPHONE PLANT	58.0	50.6	47.2	49.3	57.6
60	PERCENT OF NET TELEPHONE PLANT	88.8	84.8	72.5	68.7	80.3
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	34.6	40.2	34.8	28.2	28.2

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CROWN POINT TELEPHONE CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 533,602	$ 494,414	$ 461,305	$ 409,104	$ 336,173	1
OPERATION AND MAINTENANCE EXPENSE	348,612	346,159	321,163	252,867	207,713	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	63,425	63,431	62,879	37,913	35,731	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	51,588	56,724	54,670	45,200	38,950	6
INCOME TAXES-OPERATING	-	-	330-	255	3,573	7
OPERATING INCOME TAXES DEFERRED	2,682	268	-	4,997	1,154	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	-	-	-	-	9
TOTAL OPERATING EXPENSES	466,307	466,582	438,382	341,032	287,121	10
TOTAL TELEPHONE OPERATING INCOME	67,295	27,332	22,923	68,072	49,052	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	3	3	2	58	1	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	14,803-	1,770	5,785	662-	1,613	17
TOTAL OTHER INCOME	14,800-	1,773	5,787	604-	1,614	18
TOTAL INCOME	52,495	29,605	28,710	67,468	50,666	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	-	-	-	-	-	22
TOTAL INCOME DEDUCTIONS	-	-	-	-	-	23
INCOME BEFORE INTEREST CHARGES	52,495	29,605	28,710	67,468	50,666	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	29,530	26,529	27,813	29,865	32,001	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	274	274	274	274	274	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	3,110	9,309	11,155	10,176	2,155	29
TOTAL INTEREST CHARGES	32,914	36,112	39,242	40,315	34,430	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	19,581	6,507-	10,532-	27,153	16,236	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	21,900	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	2,622-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	1,291	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	17,987	-	-	35
NET INCOME	$ 19,581	$ 6,507-	$ 7,455	$ 27,153	$ 16,236	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 118,337	$ 124,844	$ 117,389	$ 90,236	$ 74,396	37
BALANCE TRANSFERRED FROM INCOME	19,581	6,507-	7,455	27,153	16,236	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	396	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	42
-COMMON STOCK	-	-	-	-	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	137,918	118,337	124,844	117,389	90,236	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 137,918	$ 118,337	$ 124,844	$ 117,389	$ 90,236	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	65.3	70.0	69.6	61.7	61.7	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	11.8	12.8	13.6	9.2	10.6	49
TOTAL INCOME TAXES-OPERATING	0.5	0.1	-	1.3	1.4	50
OTHER TAXES-OPERATING	9.6	11.4	11.8	11.0	11.5	51
TOTAL OPERATING EXPENSES	87.3	94.3	95.0	83.3	85.4	52
OPERATING INCOME	12.6	5.6	4.9	16.6	14.5	53
DEPR. AND AMORT. % OF TELEPHONE PLANT	4.1	5.5	5.6	3.3	3.5	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	6.2	7.3	8.5	9.9	10.2	55
PRETAX INTEREST COVERAGE	1.7	0.8	0.7	1.8	1.6	56
NET INCOME-PERCENT OF OPERATING REVENUES	3.6	-	1.6	6.6	4.8	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	58
TIMES EARNED	-	-	-	-	-	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	-	-	-	-	-	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	12.4	-	4.9	20.4	14.5	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	-	-	-	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CROWN POINT TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 19,581	$ 5,507-	$ 10,532-	$ 27,153	$ 16,236
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	76,482	75,777	76,385	55,109	54,454
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	2,352	62-	961	5,252	4,727
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	98,415	70,208	66,814	87,514	75,417
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	17,987	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	98,415	70,208	84,801	87,514	75,417
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	-	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	98,415	70,208	84,801	87,514	75,417
	EXTERNAL SOURCES					
13	LONG TERM DEBT	339,000	71,000	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	26,000	-	-	71,000	19,500
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	365,000	71,000	-	71,000	19,500
20	OTHER SOURCES (NET)	552	227	-	9,869	10,654
21						
22						
23	TOTAL FUNDS PROVIDED	$ 463,967	$ 141,435	$ 84,801	$ 168,383	$ 105,571
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 400,761	$ 26,785	$ 1,997	$ 141,561	$ 76,349
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	400,761	26,785	1,997	141,561	76,349
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	400,761	26,785	1,997	141,561	76,349
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	23,560	23,777	23,300	22,832	12,401
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK		-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	75,500	4,000	-	12,806
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	23,560	99,277	27,300	22,832	25,207
37	OTHER USES (NET)	39,646	15,373	55,504	3,990	4,015
38						
39						
40	TOTAL FUNDS APPLIED	$ 463,967	$ 141,435	$ 84,801	$ 168,383	$ 105,571

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT.

YEARS ENDING DECEMBER 31

CROWN POINT TELEPHONE CORPORATION

ITEM		1985	1984	1983	1982	1981	LINE NO
			TELEPHONE OPERATING REVENUES				
OPERATING REVENUES							
LOCAL REVENUES	$	120,964 $	101,782 $	97,517 $	97,397 $	98,124	1
ACCESS REVENUES		143,055					2
TOLL REVENUES		239,005	388,484	362,444	314,032	239,077	3
MISCELLANEOUS REVENUES		33,219	6,687	3,128	1,996	1,280	4
UNCOLLECTIBLE REVENUES-DR		2,641	2,539	1,784	4,321	2,308	5
TOTAL TELEPHONE OPERATING REVENUE	$	533,602 $	494,414 $	- 461,305 $	409,104 $	336,173	6
TELEPHONE ACCESS LINES IN SERVICE		728	701	680	687	670	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 169.54	$ 147.40	$ 142.67	$ 143.55	$ 142.93	8
ACCESS REVENUE		200.50					9
TOLL REVENUE		334.98	562.61	530.28	462.83	348.25	10
*YEAR END AVERAGE							
			TELEPHONE OPERATION AND MAINTENANCE EXPENSES				
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	73,077 $	85,014 $	90,097 $	67,153 $	71,439	11
DEPRECIATION + AMORTIZATION EXPENSES		63,425	63,431	62,879	37,913	35,131	12
TRAFFIC EXPENSES		11,365	11,610	2,689	3,075	2,769	13
COMMERCIAL EXPENSES		29,326	28,455	19,949	14,256	13,590	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		162,925	149,278	138,179	107,255	85,553	16
OTHER OPERATING EXPENSES		71,919	71,802	70,269	60,928	34,362	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	412,037 $	409,590 $	384,042 $	290,580 $	243,444	18
			TELEPHONE UTILITY PLANT				
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	1,156,433 $	1,116,060 $	1,108,044 $	1,109,211 $	998,135	19
PLANT UNDER CONSTRUCTION		379,369	20,911	10,272	9,600	-	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-	-	22
PLANT ADJUSTMENTS		-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT		1,535,802	1,136,971	1,118,316	1,118,811	998,135	24
ACCUMULATED PROVISION FOR DEPR+AMORT		532,158	457,704	389,535	316,019	282,184	25
NET TELEPHONE PLANT	$	1,003,644 $	679,267 $	728,781 $	802,792 $	715,951	26
PLANT IN SERVICE BEGINNING OF YEAR	$	1,116,060 $	1,108,044 $	1,109,211 $	998,135 $	921,936	27
ADDITIONS		42,303	16,146	1,325	131,961	76,349	28
RETIREMENTS		1,930	8,130	2,492	20,885	150	29
TRANSFERS AND ADJUSTMENTS		-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$	1,156,433 $	1,116,060 $	1,108,044 $	1,109,211 $	998,135	31

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MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

CROWN POINT TELEPHONE CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 533,602	$ 494,414	$ 461,305	$ 409,104	$ 338,173
2	ACCESS LINES (AVERAGE*)	714	691	684	679	687
	DOLLAR AMOUNTS					
3	WAGES AND BENEFITS	$ 178,798	$ 187,881	$ 172,705	$ 134,291	$ 88,403
4	OTHER OPERATION AND MAINTENANCE EXPENSES	169,814	158,278	148,458	118,376	119,310
5	DEPRECIATION AND AMORTIZATION EXPENSES	63,425	63,431	62,879	37,913	35,731
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	2,682	268	330-	5,252	4,727
8	OTHER TAXES - OPERATING	51,588	56,724	54,670	45,200	38,950
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	32,914	36,112	39,242	40,315	34,430
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	34,381	8,280-	16,319-	27,757	14,622
12	TOTAL	$ 533,602	$ 494,414	$ 461,305	$ 409,104	$ 338,173
	PERCENT OF REVENUES					
13	WAGES AND BENEFITS	33.5	38.0	37.4	32.8	26.3
14	OTHER OPERATION AND MAINTENANCE EXPENSES	31.8	32.0	32.2	28.9	35.5
15	DEPRECIATION AND AMORTIZATION EXPENSES	11.9	12.8	13.6	9.3	10.6
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	0.5	0.1	-	1.3	1.4
18	OTHER TAXES - OPERATING	9.7	11.5	11.9	11.0	11.6
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	6.2	7.3	8.5	9.9	10.2
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	6.4	1.6-	3.4-	6.8	4.3
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	DOLLARS PER AVERAGE ACCESS LINE PER MONTH					
23	WAGES AND BENEFITS	$ 20.88	$ 22.67	$ 21.06	$ 16.49	$ 10.73
24	OTHER OPERATION AND MAINTENANCE EXPENSES	19.83	19.10	18.10	14.54	14.48
25	DEPRECIATION AND AMORTIZATION EXPENSES	7.41	7.66	7.67	4.66	4.34
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	0.31	0.03	0.03-	0.65	0.57
28	OTHER TAXES - OPERATING	6.03	6.85	6.67	5.55	4.73
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.84	4.38	4.78	4.95	4.18
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	4.02	0.99-	1.98-	3.41	1.77
32	TOTAL	$ 62.32	$ 59.67	$ 56.24	$ 50.25	$ 40.81

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

DELHI TELEPHONE COMPANY

LINE NO. ITEM	1985	1984	1983	1982	1981
ASSETS AND OTHER DEBITS					
1 TELEPHONE PLANT	$ 5,779,501	$ 5,471,331	$ 5,298,800	$ 5,075,795	$ 4,879,709
2 ACCUMULATED PROVISION FOR DEPR+AMORT	2,199,232	1,832,945	1,496,133	1,122,356	789,183
3 NET TELEPHONE PLANT	3,580,269	3,638,386	3,802,667	3,953,439	4,090,526
4 INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5 ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6 MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7 OTHER INVESTMENTS AND FUNDS	334,626	310,194	293,317	127,500	127,500
8 TOTAL INVESTMENTS AND FUNDS	334,626	310,194	293,317	127,500	127,500
9 CASH AND WORKING FUNDS	161,205	107,741	91,792	128,340	56,119
10 SPECIAL CASH DEPOSITS	31,591	35,271	33,694	82,808	65,340
11 TEMPORARY CASH INVESTMENTS	830,870	634,072	400,000	400,000	-
12 NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13 OTHER NOTES AND ACCOUNTS RECEIVABLE	299,665	237,629	163,613	70,961	289,890
14 DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	242,876	237,085	205,107	195,732	196,227
15 MATERIALS AND SUPPLIES*	69,992	68,079	52,911	42,885	56,759
16 PREPAYMENTS	40,262	120,215	122,742	85,570	35,394
17 OTHER CURRENT AND ACCRUED ASSETS	50,031	43,421	37,057	31,074	26,339
18 TOTAL CURRENT AND ACCRUED ASSETS	1,726,492	1,480,523	1,106,916	1,017,370	726,068
19 UNAMORTIZED DEBT DISCOUNT AND EXPENSE	22,156	23,367	24,579	25,791	22,263
20*EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21 RESEARCH AND DEVELOPMENT	-	-	-	-	-
22 OTHER DEFERRED DEBITS	3,041	49,980	8,392	3,656	5,959
23 TOTAL DEFERRED DEBITS	25,197	73,347	32,971	29,447	28,222
24 TOTAL ASSETS AND OTHER DEBITS	5,666,584 $	5,502,450 $	5,238,871 $	5,127,756 $	4,972,316
LIABILITIES AND OTHER CREDITS					
25 COMMON CAPITAL STOCK	$ 110,000	$ 110,000	$ 110,000	$ 110,000	$ 110,000
26 PREFERRED CAPITAL STOCK	8,000	10,600	16,400	32,200	215,000
27 STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28 PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29 CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30 INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31 OTHER PAID-IN CAPITAL	-	-	-	-	-
32 CAPITAL STOCK EXPENSE	-	-	-	-	-
33 RETAINED EARNINGS	1,630,368	1,460,747	1,407,778	1,323,064	1,198,596
34 TOTAL PROPRIETARY CAPITAL	1,748,368	1,581,347	1,534,178	1,465,264	1,523,596
35 BONDS(LESS BONDS REACQUIRED)	2,666,528	2,720,680	2,665,340	2,672,536	2,507,106
36 ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37 OTHER LONG-TERM DEBT	-	-	-	-	-
38 TOTAL LONG-TERM DEBT	2,666,528	2,720,680	2,665,340	2,672,536	2,507,106
39 NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40 OTHER NOTES AND ACCOUNTS PAYABLE	223,432	137,827	122,545	201,009	229,703
41 CUSTOMERS'DEPOSITS	1,060	22,300	21,350	18,650	23,750
42 ADVANCE BILLING AND PAYMENTS	33,801	29,228	25,566	24,713	14,130
43 TAXES ACCRUED	6,808	57,680	13,651	2,784	12,052
44 OTHER CURRENT AND ACCRUED LIABILITIES	30,188	31,321	29,548	26,757	28,462
45 TOTAL CURRENT AND ACCRUED LIABILITIES	295,277	278,356	212,660	273,913	308,097
46 UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47 ACCUM. DEFERRED INVESTMENT TAX CREDITS	285,433	273,807	275,750	268,399	268,216
48 OTHER DEFERRED CREDITS	-	11,874	-	-	-
49 TOTAL DEFERRED CREDITS	285,433	285,681	275,750	268,399	268,216
50 OPERATING RESERVES	204,248	190,491	143,851	102,080	88,100
51 ACCUMULATED DEFERRED INCOME TAXES	466,733	445,895	404,092	345,564	277,141
52 TOTAL LIABILITIES AND OTHER CREDITS	$ 5,666,584	$ 5,502,450	$ 5,238,871	$ 5,127,756	$ 4,972,316
SELECTED BALANCE SHEET RELATIONSHIPS					
53 TELEPHONE PLANT PER DOLLAR OF REVENUE	2.51	2.57	2.71	2.58	2.55
54 CURRENT ASSETS/CURRENT LIABILITIES	5.85	5.32	5.21	3.71	2.36
PERCENT OF CAPITALIZATION:					
55 LONG-TERM DEBT	60.3	63.2	63.4	64.5	62.2
56 PREFERRED STOCK	0.1	0.2	0.3	0.7	5.3
57 COMMON STOCK+OTHER PAID-IN CAPITAL	2.4	2.5	2.6	2.6	2.7
58 RETAINED EARNINGS	36.9	33.9	33.5	31.9	29.7
LONG-TERM DEBT					
59 PERCENT OF GROSS TELEPHONE PLANT	46.1	49.7	50.3	52.6	51.3
60 PERCENT OF NET TELEPHONE PLANT	74.4	74.7	70.0	67.6	61.2
61 ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	38.0	33.5	28.2	22.1	16.1

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

DELHI TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 2,239,884	$ 2,097,038	$ 1,912,483	$ 1,926,582	$ 1,853,761	1
OPERATION AND MAINTENANCE EXPENSE	1,234,856	1,098,721	1,041,047	982,947	931,400	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	393,103	414,218	358,276	314,415	263,618	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	210,173	231,202	202,913	182,698	170,895	6
INCOME TAXES-OPERATING	38,522	41,818	7,906-	14,586	33,393	7
OPERATING INCOME TAXES DEFERRED	43,352	46,297	68,123	79,786	71,141	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	22,504-	4,504-	9,595-	11,363-	10,685-	9
TOTAL OPERATING EXPENSES	1,895,502	1,827,750	1,652,858	1,563,069	1,459,762	10
TOTAL TELEPHONE OPERATING INCOME	344,382	269,288	259,625	363,513	393,999	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	91,465	74,936	48,818	31,512	5,866	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	30,072	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	764-	16
MISCELLANEOUS INCOME	17,255-	1,334	6,984-	2,164	-	17
TOTAL OTHER INCOME	74,210	76,270	41,834	33,676	35,174	18
TOTAL INCOME	418,592	345,558	301,459	397,189	429,173	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	3,763	654	1,316	3,243	1,465	22
TOTAL INCOME DEDUCTIONS	3,763	654	1,316	3,243	1,465	23
INCOME BEFORE INTEREST CHARGES	414,829	344,902	300,143	393,946	427,708	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	206,860	208,069	205,550	195,801	184,846	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	1,212	1,212	1,212	1,212	738	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	7,605	2,701	4,130	8,352	21,375	29
TOTAL INTEREST CHARGES	215,677	211,982	210,892	205,365	206,959	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	199,152	132,920	89,251	188,581	220,749	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	35,142	-	105,974	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	8,536	-	54,739	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	26,606	-	52,235	-	-	35
NET INCOME	$ 225,758	$ 132,920	$ 141,486	$ 188,581	$ 220,749	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 1,460,747	$ 1,407,778	$ 1,323,064	$ 1,198,596	$ 1,045,367	37
BALANCE TRANSFERRED FROM INCOME	225,758	132,920	141,486	188,581	220,749	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	696	751	1,332	9,168	15,050	42
-COMMON STOCK	55,440	79,200	55,440	54,945	52,470	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	1,630,369	1,460,747	1,407,778	1,323,064	1,198,596	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 1,630,369	$ 1,460,747	$ 1,407,778	$ 1,323,064	$ 1,198,596	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	55.1	52.3	54.4	51.0	50.2	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	17.5	19.7	18.7	16.3	14.2	49
TOTAL INCOME TAXES-OPERATING	2.6	4.0	2.6	4.3	5.1	50
OTHER TAXES-OPERATING	9.3	11.0	10.6	9.4	9.2	51
TOTAL OPERATING EXPENSES	84.6	87.1	86.4	81.1	78.7	52
OPERATING INCOME	15.3	12.8	13.5	18.8	21.2	53
DEPR. AND AMORT % OF TELEPHONE PLANT	6.8	7.5	6.7	6.1	5.4	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	9.6	10.1	11.0	10.7	11.2	55
PRETAX INTEREST COVERAGE	2.2	2.0	1.7	2.3	2.5	56
NET INCOME-PERCENT OF OPERATING REVENUES	10.0	6.3	7.3	9.7	11.9	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	-	-	-	0.4	0.8	58
TIMES EARNED	-	177.0	106.2	20.6	14.7	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	2.4	3.7	2.8	2.8	2.8	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	24.6	59.9	39.5	30.6	25.5	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	13.5	8.5	9.4	13.0	16.6	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	3.3	5.[illegible]	3.7	4.0	4.2	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

DELHI TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 199,152	$ 132,920	$ 89,251	$ 188,581	$ 220,749
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	409,721	429,607	372,278	327,040	275,231
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	32,474	39,850	65,879	68,606	129,608
4	INTEREST CAPITALIZED	-	-	-	-	30,072-
5	OTHER (NET)	-	-	-		-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	641,347	602,377	527,408	584,227	595,516
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	26,606	-	52,235		-
9	TOTAL FUNDS FROM INTERNAL SOURCES	667,953	602,377	579,643	584,227	595,516
10	LESS DIVIDENDS: PREFERRED	696	751	1,332	9,168	15,050
11	COMMON	55,440	79,200	55,440	54,945	52,470
12	NET FUNDS FROM INTERNAL SOURCES	611,817	522,426	522,871	520,114	527,996
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	81,800	15,800	182,800	567,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	100,000	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	81,800	115,800	182,800	567,000
20	OTHER SOURCES (NET)	20,080	72,545	83,634	100,899	36,158
21						
22						
23	TOTAL FUNDS PROVIDED	$ 631,877	$ 676,771	$ 722,305	$ 803,813	$ 1,131,154
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 354,469	$ 277,003	$ 258,731	$ 262,378	$ 943,117
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	354,469	277,003	258,731	262,378	943,117
28	LESS INTEREST CAPITALIZED	-	-	-	-	30,072
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	354,469	277,003	258,731	262,378	913,045
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	54,164	26,450	22,997	17,370	16,124
31	PREFERRED STOCK	2,600	5,800	15,800	182,800	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	100,000	-	110,000	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	56,764	132,250	38,797	310,170	16,124
37	OTHER USES (NET)	220,644	267,518	424,777	231,287	201,985
38						
39						
40	TOTAL FUNDS APPLIED	$ 631,877	$ 676,771	$ 722,305	$ 803,813	$ 1,131,154

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

DELHI TELEPHONE COMPANY

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	438,038 $	442,883 $	423,730 $	428,705 $	409,889	1
ACCESS REVENUES		815,823					2
TOLL REVENUES		545,390	1,605,193	1,457,671	1,469,227	1,420,030	3
MISCELLANEOUS REVENUES		466,132	64,776	54,966	48,890	37,812	4
UNCOLLECTIBLE REVENUES-DR *		25,499	15,816	23,884	18,240	13,950	5
TOTAL TELEPHONE OPERATING REVENUE	$	2,239,884 $	2,097,036 $	1,912,483 $	1,928,582 $	1,853,781	6
TELEPHONE ACCESS LINES IN SERVICE		3,881	3,151	2,894	2,858	2,845	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 124.94	$ 146.53	$ 147.33	$ 149.54	$ 146.23	8
ACCESS REVENUE		232.69					9
TOLL REVENUE		155.56	531.08	506.84	515.25	506.51	10
*YEAR END AVERAGE							
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	293,106 $	303,011 $	298,119 $	338,279 $	321,357	11
DEPRECIATION + AMORTIZATION EXPENSES		383,103	414,218	358,276	314,415	283,518	12
TRAFFIC EXPENSES		135,870	134,422	127,953	120,191	127,329	13
COMMERCIAL EXPENSES		82,528	66,669	59,641	50,285	50,639	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		408,287	321,576	289,305	225,449	210,634	16
OTHER OPERATING EXPENSES		317,086	273,043	285,229	248,744	221,141	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	1,627,959 $	1,512,939 $	1,399,323 $	1,297,362 $	1,196,018	18
TELEPHONE UTILITY PLANT							
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	5,649,833 $	5,352,615 $	5,293,871 $	5,018,722 $	4,885,512	19
PLANT UNDER CONSTRUCTION		129,668	118,716	4,929	57,073	5,803-	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-	-	22
PLANT ADJUSTMENTS		-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT		5,779,501	5,471,331	5,298,800	5,075,795	4,879,709	24
ACCUMULATED PROVISION FOR DEPR+AMORT		2,199,232	1,832,945	1,496,133	1,722,356	789,183	25
NET TELEPHONE PLANT	$	3,580,269 $	3,638,386 $	3,802,667 $	3,353,439 $	4,090,526	26
PLANT IN SERVICE BEGINNING OF YEAR	$	5,352,615 $	5,293,871 $	5,018,722 $	4,885,512 $	4,207,791	27
ADDITIONS		343,517	163,216	310,877	199,500	1,308,296	28
RETIREMENTS		46,299	104,472	35,728	66,290	630,575	29
TRANSFERS AND ADJUSTMENTS		-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$	5,649,833 $	5,352,615 $	5,293,871 $	5,018,722 $	4,885,512	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

DELHI TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 2,239,884	$ 2,097,036	$ 1,912,483	$ 1,928,582	$ 1,853,761
2	ACCESS LINES (AVERAGE*)	3,506	3,023	2,876	2,852	2,803
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 687,442	$ 676,683	$ 617,499	$ 587,942	$ 545,778
4	OTHER OPERATION AND MAINTENANCE EXPENSES	547,414	422,038	423,548	395,005	385,622
5	DEPRECIATION AND AMORTIZATION EXPENSES	393,103	414,218	358,276	314,415	263,618
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	57,370	83,609	50,622	83,009	93,849
8	OTHER TAXES - OPERATING	210,173	231,202	202,913	182,698	170,895
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	215,677	211,982	210,892	205,365	192,113
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	696	751	1,332	9,168	13,847
11	EARNINGS AVAILABLE FOR COMMON EQUITY	128,009	56,553	47,401	148,980	188,139
12	TOTAL	$ 2,239,884	$ 2,097,036	$ 1,912,483	$ 1,928,582	$ 1,853,761
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	30.7	32.3	32.3	30.5	29.4
14	OTHER OPERATION AND MAINTENANCE EXPENSES	24.4	20.1	22.1	20.5	20.8
15	DEPRECIATION AND AMORTIZATION EXPENSES	17.6	19.8	18.7	16.3	14.2
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	2.6	4.0	2.6	4.3	5.1
18	OTHER TAXES - OPERATING	9.4	11.0	10.6	9.5	9.2
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	9.6	10.1	11.0	10.7	10.4
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	0.1	0.5	0.7
21	EARNINGS AVAILABLE FOR COMMON EQUITY	5.7	2.7	2.5	7.7	10.1
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 16.34	$ 18.66	$ 17.89	$ 17.18	$ 16.23
24	OTHER OPERATION AND MAINTENANCE EXPENSES	13.01	11.64	12.27	11.54	11.46
25	DEPRECIATION AND AMORTIZATION EXPENSES	9.34	11.42	10.38	9.19	7.84
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	1.36	2.31	1.47	2.43	2.79
28	OTHER TAXES - OPERATING	5.00	6.37	5.88	5.34	5.08
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.13	5.84	6.11	6.00	5.71
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.02	0.02	0.04	0.27	0.41
31	EARNINGS AVAILABLE FOR COMMON EQUITY	3.04	1.56	1.37	4.35	5.59
32	TOTAL	$ 53.24	$ 57.82	$ 55.42	$ 56.30	$ 55.11

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

DEPOSIT TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 7,736,832	$ 7,307,017	$ 6,593,082	$ 5,857,970	$ 5,617,904
2	ACCUMULATED PROVISION FOR DEPR+AMORT	2,106,240	1,737,538	1,582,004	1,576,720	1,313,065
3	NET TELEPHONE PLANT	5,630,592	5,569,479	5,011,078	4,281,250	4,304,839
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	11,357	8,240	-	-	-
7	OTHER INVESTMENTS AND FUNDS	9,320	4,320	1,320	1,320	1,320
8	TOTAL INVESTMENTS AND FUNDS	20,677	12,560	1,320	1,320	1,320
9	CASH AND WORKING FUNDS	294,423	130,698	357,498	70,420	25,352
10	SPECIAL CASH DEPOSITS	3,433	3,433	2,306	2,306	2,153
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	256,894	653,324	44,984	58,724	47,876
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	266,678	294,564	271,812	252,198	235,781
15	MATERIALS AND SUPPLIES*	98,676	99,947	73,488	45,255	38,582
16	PREPAYMENTS	67,786	62,987	59,255	49,340	44,097
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	11,228	-
18	TOTAL CURRENT AND ACCRUED ASSETS	987,890	1,244,953	809,342	490,068	393,841
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	48,485	52,721	56,957	21,299	22,919
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	13,853	11,930	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	8,326	-	-	11,068	12,941
23	TOTAL DEFERRED DEBITS	56,811	66,574	68,887	32,367	35,860
24	TOTAL ASSETS AND OTHER DEBITS	6,695,970 $	6,893,566 $	5,890,627 $	4,805,005 $	4,735,860
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 322,250	$ 322,250	$ 322,250	$ 322,250	$ 322,250
26	PREFERRED CAPITAL STOCK	-	-	150,000	150,000	150,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	2,732,382	2,334,489	2,005,878	1,707,476	1,512,144
34	TOTAL PROPRIETARY CAPITAL	3,054,632	2,656,739	2,478,128	2,179,726	1,984,394
35	BONDS(LESS BONDS REACQUIRED)	1,748,000	1,870,000	1,992,000	834,000	876,000
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	150,000	150,000	-	-	-
38	TOTAL LONG-TERM DEBT	1,898,000	2,020,000	1,992,000	834,000	876,000
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	405,476	1,038,463	324,140	869,775	1,127,087
41	CUSTOMERS' DEPOSITS	49,690	61,035	48,105	42,080	42,150
42	ADVANCE BILLING AND PAYMENTS	16,655	32,990	30,391	29,042	23,117
43	TAXES ACCRUED	34,926	12,698	111,032	126,740	7,570
44	OTHER CURRENT AND ACCRUED LIABILITIES	75,610	76,806	74,619	30,247	35,611
45	TOTAL CURRENT AND ACCRUED LIABILITIES	582,357	1,219,992	588,287	1,097,884	1,235,515
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	474,794	458,252	385,901	293,071	278,242
48	OTHER DEFERRED CREDITS	3,733	8,394	8,074	-	-
49	TOTAL DEFERRED CREDITS	478,527	466,646	393,975	293,071	278,242
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	682,454	530,189	438,237	400,324	363,709
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 6,695,970	$ 6,893,566	$ 5,890,627	$ 4,805,005	$ 4,735,860
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.48	2.45	2.51	2.66	2.39
54	CURRENT ASSETS/CURRENT LIABILITIES	1.70	1.02	1.38	0.45	0.32
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	38.3	43.1	44.5	27.6	30.6
56	PREFERRED STOCK	-	-	3.3	4.9	5.2
57	COMMON STOCK+OTHER PAID-IN CAPITAL	6.5	6.8	7.2	10.6	11.2
58	RETAINED EARNINGS	55.1	49.9	44.8	56.6	52.9
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	24.5	27.6	30.2	14.2	15.6
60	PERCENT OF NET TELEPHONE PLANT	33.7	36.2	39.7	19.4	20.3
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	27.2	23.7	23.9	26.9	23.3

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

DEPOSIT TELEPHONE COMPANY, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 3,028,398	$ 2,834,453	$ 2,483,394	$ 2,154,589	$ 1,831,975	1
OPERATION AND MAINTENANCE EXPENSE	1,304,922	1,184,877	1,025,798	1,012,922	938,890	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	435,402	445,784	412,366	270,814	229,989	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	282,109	298,039	270,096	221,317	198,820	6
INCOME TAXES-OPERATING	157,355	145,000	202,290	128,780	20,602	7
OPERATING INCOME TAXES DEFERRED	150,758	103,698	43,815	51,085	59,584	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	1,508	11,747-	5,902-	14,470-	6,530-	9
TOTAL OPERATING EXPENSES	2,332,054	2,165,654	1,948,463	1,670,448	1,439,455	10
TOTAL TELEPHONE OPERATING INCOME	696,344	668,799	534,931	484,141	392,520	11
OTHER INCOME						
DIVIDEND INCOME	158	158	155	152	152	12
INTEREST INCOME	13,582	28,177	24,603	-	4,935	13
ALLOWANCE FOR CONSTRUCTION FUNDS	7,564	9,317	15,975	4,428	3,727	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	4,522	-	-	-	-	16
MISCELLANEOUS INCOME	6,146	36,818-	9,859	1,749	-	17
TOTAL OTHER INCOME	31,972	834	50,392	6,329	8,814	18
TOTAL INCOME	728,316	669,633	585,323	490,470	401,334	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	1,069	680	435	1,160	839	22
TOTAL INCOME DEDUCTIONS	1,069	680	435	1,160	839	23
INCOME BEFORE INTEREST CHARGES	727,247	668,953	584,888	489,310	400,495	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	200,186	214,141	179,700	77,926	81,781	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	4,236	4,236	2,272	1,620	1,620	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	19,739	19,911	40,660	144,564	164,002	29
TOTAL INTEREST CHARGES	224,161	238,288	223,632	224,110	247,402	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	503,086	430,665	361,256	265,200	153,092	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	13,957	5,497	58,428	34,531	20,361	32
EXTRAORDINARY/DELAYED INCOME CHARGES	8,712-	11,049-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	26,877	5,884	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	5,245	5,552-	31,551	18,647	20,361	35
NET INCOME	$ 508,331	$ 425,113	$ 392,807	$ 283,847	$ 173,453	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 2,334,489	$ 2,005,878	$ 1,707,476	$ 1,512,144	$ 1,422,789	37
BALANCE TRANSFERRED FROM INCOME	508,331	425,113	392,807	283,847	173,453	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	2,262	9,000	9,000	9,000	42
-COMMON STOCK	110,438	94,240	85,405	79,515	75,098	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,732,382	2,334,489	2,005,878	1,707,476	1,512,144	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 2,732,382	$ 2,334,489	$ 2,005,878	$ 1,707,476	$ 1,512,144	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	43.0	41.5	41.3	47.0	51.2	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	14.3	15.7	16.6	12.5	12.5	49
TOTAL INCOME TAXES-OPERATING	10.2	8.4	9.7	7.7	4.0	50
OTHER TAXES-OPERATING	9.3	10.5	10.8	10.2	10.8	51
TOTAL OPERATING EXPENSES	77.0	76.4	78.4	77.5	78.5	52
OPERATING INCOME	22.9	23.5	21.5	22.4	21.4	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.6	6.1	6.2	4.6	4.0	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	7.4	8.4	9.0	10.4	13.5	55
PRETAX INTEREST COVERAGE	4.6	3.8	3.7	2.9	1.9	56
NET INCOME-PERCENT OF OPERATING REVENUES	16.7	14.9	15.8	13.1	9.4	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	0.3	0.4	0.4	58
TIMES EARNED	-	187.9	43.6	31.5	19.3	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	3.6	3.3	3.4	3.6	4.0	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	21.7	22.2	22.7	28.9	45.6	61
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	17.8	18.9	17.6	14.2	9.1	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	3.8	3.7	3.9	4.1	[illegible]	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

DEPOSIT TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 503,086	$ 430,665	$ 361,256	$ 265,200	$ 153,092
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	471,257	475,593	434,138	293,335	254,382
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	168,808	164,303	130,743	53,444	70,540
4	INTEREST CAPITALIZED	7,564-	9,317-	15,975-	4,428-	3,727-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	1,135,587	1,061,244	910,162	607,551	474,287
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	5,245	5,552-	31,551	18,647	20,361
9	TOTAL FUNDS FROM INTERNAL SOURCES	1,140,832	1,055,692	941,713	626,198	494,648
10	LESS DIVIDENDS: PREFERRED	-	2,262	9,000	9,000	9,000
11	COMMON	110,438	94,240	85,405	79,515	75,098
12	NET FUNDS FROM INTERNAL SOURCES	1,030,394	959,190	847,308	537,683	410,550
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	150,000	1,200,000	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	150,000	1,200,000	-	-
20	OTHER SOURCES (NET)	45,327	269,470	35,173	15,042	126,033
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,075,721	$ 1,378,660	$ 2,082,481	$ 552,725	$ 536,583
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 549,354	$ 1,083,118	$ 1,192,413	$ 274,530	$ 402,482
25	NON-UTILITY PLANT	3,117	8,240	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	552,471	1,091,358	1,192,413	274,530	402,482
28	LESS INTEREST CAPITALIZED	7,564	9,317	15,975	4,428	3,727
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	544,907	1,082,041	1,176,438	270,102	398,755
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	122,000	42,000	42,000	42,000
31	PREFERRED STOCK	-	150,000	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	13,592	716,408	180,000	75,000
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	122,000	285,592	758,408	222,000	117,000
37	OTHER USES (NET)	408,814	11,027	147,635	60,623	20,828
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,075,721	$ 1,378,660	$ 2,082,481	$ 552,725	$ 536,583

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

DEPOSIT TELEPHONE COMPANY, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 1,154,814	$ 1,020,747	$ 1,012,891	$ 970,947	$ 880,816	1
ACCESS REVENUES	919,657					2
TOLL REVENUES	728,819	1,656,087	1,414,031	1,119,374	897,422	3
MISCELLANEOUS REVENUES	234,708	167,219	66,072	75,468	62,437	4
UNCOLLECTIBLE REVENUES-DR	9,600	9,600	9,600	11,200	8,700	5
TOTAL TELEPHONE OPERATING REVENUE	$ 3,028,398	$ 2,834,453	$ 2,483,394	$ 2,154,589	$ 1,831,975	6
TELEPHONE ACCESS LINES IN SERVICE	6,221	6,026	5,784	5,638	5,531	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 188.59	$ 172.86	$ 177.36	$ 173.86	$ 160.78	8
ACCESS REVENUE	150.18					9
TOLL REVENUE	119.02	280.46	247.60	200.44	163.81	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 483,420	$ 442,555	$ 379,137	$ 370,360	$ 329,735	11
DEPRECIATION + AMORTIZATION EXPENSES	435,402	445,784	412,386	270,814	229,989	12
TRAFFIC EXPENSES	89,649	116,355	27,733	26,908	28,730	13
COMMERCIAL EXPENSES	142,366	115,615	123,377	123,885	103,540	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	373,283	330,265	311,231	333,193	304,707	16
OTHER OPERATING EXPENSES	216,224	180,087	184,320	158,578	170,178	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,740,324	$ 1,630,661	$ 1,438,184	$ 1,283,738	$ 1,166,879	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 7,724,990	$ 7,300,405	$ 6,583,529	$ 5,830,548	$ 5,525,632	19
PLANT UNDER CONSTRUCTION	11,842	6,612	9,553	27,422	92,272	20
PROPERTY HELD FOR FUTURE USE	-	-		-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-		-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	7,736,832	7,307,017	6,593,082	5,857,970	5,617,904	24
ACCUMULATED PROVISION FOR DEPR+AMORT	2,106,240	1,737,538	1,582,004	1,576,720	1,313,065	25
NET TELEPHONE PLANT	$ 5,630,592	$ 5,569,479	$ 5,011,078	$ 4,281,250	$ 4,304,839	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 7,300,404	$ 6,583,529	$ 5,830,549	$ 5,525,632	$ 5,335,683	27
ADDITIONS	544,124	1,086,059	1,210,281	338,822	314,436	28
RETIREMENTS	119,538	369,183	457,301	34,464	125,381	29
TRANSFERS AND ADJUSTMENTS	-	-	-	558	894	30
PLANT IN SERVICE END OF YEAR	$ 7,724,990	$ 7,300,405	$ 6,583,529	$ 5,830,548	$ 5,525,632	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

DEPOSIT TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 3,028,398	$ 2,834,453	$ 2,483,394	$ 2,154,589	$ 1,831,975
2	ACCESS LINES (AVERAGE*)	6,124	5,905	5,711	5,585	5,479
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 735,657	$ 643,104	$ 612,859	$ 563,308	$ 543,561
4	OTHER OPERATION AND MAINTENANCE EXPENSES	569,265	541,773	412,939	449,814	393,329
5	DEPRECIATION AND AMORTIZATION EXPENSES	435,402	445,784	412,366	270,814	229,989
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	309,621	236,952	240,203	165,395	73,756
8	OTHER TAXES - OPERATING	282,109	298,039	270,096	221,317	198,820
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	221,907	235,195	217,785	223,092	246,027
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	2,224	8,712	8,880	8,847
11	EARNINGS AVAILABLE FOR COMMON EQUITY	474,437	431,380	308,434	252,169	137,646
12	TOTAL	$ 3,028,398	$ 2,834,453	$ 2,483,394	$ 2,154,589	$ 1,831,975
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	24.3	22.7	24.7	26.1	29.7
14	OTHER OPERATION AND MAINTENANCE EXPENSES	18.8	19.1	16.6	20.9	21.4
15	DEPRECIATION AND AMORTIZATION EXPENSES	14.4	15.7	16.6	12.6	12.6
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	10.2	8.4	9.7	7.7	4.0
18	OTHER TAXES - OPERATING	9.3	10.5	10.9	10.3	10.9
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.3	8.3	8.8	10.4	13.4
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	0.1	0.4	0.4	0.5
21	EARNINGS AVAILABLE FOR COMMON EQUITY	15.7	15.2	12.4	11.7	7.5
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 10.01	$ 9.08	$ 8.94	$ 8.41	$ 8.27
24	OTHER OPERATION AND MAINTENANCE EXPENSES	7.75	7.65	6.03	6.71	5.98
25	DEPRECIATION AND AMORTIZATION EXPENSES	5.93	6.29	6.02	4.04	3.50
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	4.21	3.34	3.50	2.47	1.12
28	OTHER TAXES - OPERATING	3.84	4.21	3.94	3.30	3.02
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.02	3.32	3.18	3.33	3.74
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	0.03	0.13	0.13	0.13
31	EARNINGS AVAILABLE FOR COMMON EQUITY	6.46	6.09	4.50	3.76	2.09
32	TOTAL	$ 41.21	$ 40.00	$ 36.24	$ 32.15	$ 27.87

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

DUNKIRK AND FREDONIA TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 8,531,658	$ 8,254,918	$ 8,247,044	$ 7,988,792	$ 7,476,363
2	ACCUMULATED PROVISION FOR DEPR+AMORT	2,296,302	2,080,661	1,959,603	1,619,014	2,750,888
3	NET TELEPHONE PLANT	6,235,356	6,174,257	6,287,441	6,369,778	4,725,475
4	INVESTMENTS IN AFFILIATED COMPANIES	351,004	351,004	351,004	51,004	51,004
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	171,035	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	207,150	202,150	202,150	202,150	202,150
8	TOTAL INVESTMENTS AND FUNDS	729,189	553,154	553,154	253,154	253,154
9	CASH AND WORKING FUNDS	212,100	64,456	22,657	33,668	93,533
10	SPECIAL CASH DEPOSITS	24,711	20,332	16,555	16,012	21,036
11	TEMPORARY CASH INVESTMENTS	959,772	414,181	135,767	58,912	2,699
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	146,404	160,320	65,434	66,739	94,703
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	230,129	301,007	28,993	133,380	47,666
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	287,147	334,762	340,218	304,840	280,757
15	MATERIALS AND SUPPLIES*	180,616	155,601	155,211	228,756	223,308
16	PREPAYMENTS	120,783	105,721	106,962	89,181	95,201
17	OTHER CURRENT AND ACCRUED ASSETS	2,548	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	2,164,210	1,556,380	871,797	931,488	858,903
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	13,235	13,686	14,138	14,589	15,040
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	21,990	6,651	3,374	4,327	5,680
23	TOTAL DEFERRED DEBITS	35,225	20,337	17,512	18,916	20,720
24	TOTAL ASSETS AND OTHER DEBITS	9,163,980 $	8,304,128 $	7,729,904 $	7,573,336 $	5,858,252
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 619,975	$ 619,975	$ 619,975	$ 619,975	$ 619,975
26	PREFERRED CAPITAL STOCK	425,000	425,000	425,000	425,000	425,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	2,511,015	1,895,526	1,655,153	1,591,566	1,398,978
34	TOTAL PROPRIETARY CAPITAL	3,555,990	2,940,501	2,700,128	2,636,541	2,443,953
35	BONDS(LESS BONDS REACQUIRED)	3,566,098	3,605,314	3,641,961	3,557,020	1,607,689
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	3,566,098	3,605,314	3,641,961	3,557,020	1,607,689
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	246,806	308,734	265,834	573,698	1,196,418
41	CUSTOMERS' DEPOSITS	57,930	84,758	94,203	97,900	84,217
42	ADVANCE BILLING AND PAYMENTS	-	-	-	-	-
43	TAXES ACCRUED	80,499	94,846	68,178	60,645	38,154
44	OTHER CURRENT AND ACCRUED LIABILITIES	52,237	49,938	45,756	48,879	39,297
45	TOTAL CURRENT AND ACCRUED LIABILITIES	437,472	538,276	473,971	781,122	1,358,086
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	255,809	132,252	101,159	110,550	119,421
48	OTHER DEFERRED CREDITS	11,674	-	-	-	-
49	TOTAL DEFERRED CREDITS	267,483	132,252	101,159	110,550	119,421
50	OPERATING RESERVES	23,172	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	1,313,765	1,087,784	812,685	488,103	329,103
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 9,163,980 $	8,304,127 $	7,729,904 $	7,573,336 $	5,858,252
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.02	2.26	2.57	2.87	3.04
54	CURRENT ASSETS/CURRENT LIABILITIES	4.95	2.89	1.84	1.19	0.63
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	50.0	55.0	57.4	57.4	39.6
56	PREFERRED STOCK	5.9	6.4	6.7	6.8	10.4
57	COMMON STOCK+OTHER PAID-IN CAPITAL	8.7	9.4	9.7	10.0	15.3
58	RETAINED EARNINGS	35.2	28.9	28.0	25.6	34.5
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	41.7	43.6	44.1	44.5	21.5
60	PERCENT OF NET TELEPHONE PLANT	57.1	58.3	57.9	55.8	34.0
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	26.9	25.2	23.7	20.2	36.7

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

DUNKIRK AND FREDONIA TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 4,147,358	$ 3,652,426	$ 3,163,929	$ 2,693,847	$ 2,252,895	1
OPERATION AND MAINTENANCE EXPENSE	1,971,956	1,929,698	1,666,587	1,596,186	1,215,230	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	374,628	384,920	389,615	354,710	319,514	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	420,944	406,283	366,170	331,198	277,986	6
INCOME TAXES-OPERATING	138,710	37,832	43,455	89,694-	68,287	7
OPERATING INCOME TAXES DEFERRED	257,587	282,386	268,227	167,795	53,048	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	8,907-	7,287-	8,145-	8,795-	9,613-	9
TOTAL OPERATING EXPENSES	3,151,917	3,033,838	2,725,909	2,351,399	1,924,452	10
TOTAL TELEPHONE OPERATING INCOME	995,441	618,588	438,020	342,448	328,443	11
OTHER INCOME						
DIVIDEND INCOME	28,205	23,478	14,094	13,051	12,141	12
INTEREST INCOME	52,326	16,852	4,894	1,675	466	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	131,623	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	3,349	25,042-	4,904-	16,492	35,703	17
TOTAL OTHER INCOME	81,880	15,288	14,084	162,841	48,310	18
TOTAL INCOME	1,077,321	633,876	452,104	505,289	376,753	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	12,826	5,219	5,680	5,971	6,084	22
TOTAL INCOME DEDUCTIONS	12,826	5,219	5,680	5,971	6,084	23
INCOME BEFORE INTEREST CHARGES	1,064,495	628,657	446,424	499,318	370,669	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	233,831	235,455	235,545	185,223	104,919	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	451	461	451	451	461	26
AMORT. OF PREMIUM ON DEBT-CREDIT	74	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	11,029	19,145	37,084	14,233	7,709	29
TOTAL INTEREST CHARGES	245,385	255,061	273,080	199,907	113,089	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	819,110	373,596	173,344	299,411	257,580	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME	$ 819,110	$ 373,596	$ 173,344	$ 299,411	$ 257,580	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 1,895,526	$ 1,655,153	$ 1,591,566	$ 1,398,978	$ 1,239,422	37
BALANCE TRANSFERRED FROM INCOME	819,110	373,596	173,344	299,411	257,580	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	27,626	27,626	27,626	27,626	27,626	42
-COMMON STOCK	175,398	105,597	82,131	79,197	70,398	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,511,612	1,895,526	1,655,153	1,591,566	1,398,978	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 2,511,612	$ 1,895,526	$ 1,655,153	$ 1,591,566	$ 1,398,978	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	47.5	52.8	52.6	59.2	53.9	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	9.0	10.5	12.3	13.1	14.1	49
TOTAL INCOME TAXES-OPERATING	9.3	8.8	9.6	2.6	5.0	50
OTHER TAXES-OPERATING	10.1	11.1	11.5	12.2	12.3	51
TOTAL OPERATING EXPENSES	75.9	83.0	86.1	87.2	85.4	52
OPERATING INCOME	24.0	16.9	13.8	12.7	14.5	53
DEPR. AND AMORT % OF TELEPHONE PLANT	4.3	4.6	4.7	4.4	4.7	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	5.9	7.0	8.6	7.4	5.0	55
PRETAX INTEREST COVERAGE	5.8	3.7	2.7	2.8	4.2	56
NET INCOME-PERCENT OF OPERATING REVENUES	19.7	10.2	5.4	11.1	11.4	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	0.6	0.7	0.8	1.0	1.2	58
TIMES EARNED	29.6	13.5	6.3	10.8	9.3	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	4.2	2.8	2.5	2.9	3.1	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	22.2	30.5	56.3	29.1	30.6	61
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	28.0	14.4	6.4	12.8	11.8	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	6.2	4.4	3.6	3.7	3.6	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

DUNKIRK AND FREDONIA TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 819,110	$ 373,596	$ 173,344	$ 299,411	$ 257,580
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	421,335	424,541	428,709	386,626	349,424
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	384,384	306,192	315,191	150,129	62,564
4	INTEREST CAPITALIZED	-	-	-	131,623-	-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	1,624,829	1,104,329	917,244	704,543	669,568
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	1,624,829	1,104,329	917,244	704,543	669,568
10	LESS DIVIDENDS: PREFERRED	27,626	27,626	27,626	27,626	27,626
11	COMMON	175,995	105,597	82,131	79,197	70,398
12	NET FUNDS FROM INTERNAL SOURCES	1,421,208	971,106	807,487	597,720	571,544
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	119,386	1,962,000	-
14	PREFERRED STOCK	-				-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	64,305	165,000	14,000	-
17	OTHER (NET)	53,065	-	-	105,522	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	53,065	64,305	284,386	2,081,522	-
20	OTHER SOURCES (NET)	-	60,603	7,750	-	960,495
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,474,273	$ 1,096,014	$ 1,099,623	$ 2,679,242	$ 1,532,039
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 648,984	$ 371,959	$ 354,122	$ 2,136,451	$ 1,450,139
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	648,984	371,959	354,122	2,136,451	1,450,139
28	LESS INTEREST CAPITALIZED	-	-	-	131,623	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	648,984	371,959	354,122	2,004,828	1,450,139
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	39,217	38,647	34,445	12,669	11,900
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	1,000	-	-	-	70,000
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	40,217	38,647	34,445	12,669	81,900
37	OTHER USES (NET)	785,072	687,408	711,056	661,745	-
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,474,273	$ 1,096,014	$ 1,099,623	$ 2,679,242	$ 1,532,039

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

DUNKIRK AND FREDONIA TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 1,569,598 $	1,496,511 $	1,354,283 $	1,325,479 $	1,231,645	1
ACCESS REVENUES	1,265,435					2
TOLL REVENUES	862,471	1,812,113	1,696,582	1,203,099	946,246	3
MISCELLANEOUS REVENUES	474,752	353,677	146,344	179,195	101,704	4
UNCOLLECTIBLE REVENUES-DR	24,898	14,875	33,260	13,926	26,700	5
TOTAL TELEPHONE OPERATING REVENUE	$ 4,147,358 $	3,652,428 $	3,163,929 $	2,693,847 $	2,252,895	6
TELEPHONE ACCESS LINES IN SERVICE	7,601	7,654	7,549	7,558	7,503	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 205.78	$ 196.87	$ 179.29	$ 176.01	$ 164.55	8
ACCESS REVENUE	165.90					9
TOLL REVENUE	113.07	238.39	224.61	159.76	126.55	10

*YEAR END AVERAGE

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 592,221 $	575,050 $	598,163 $	635,606 $	441,726	11
DEPRECIATION + AMORTIZATION EXPENSES	374,628	384,926	389,615	354,710	319,514	12
TRAFFIC EXPENSES	98,843	137,933	32,103	31,872	30,324	13
COMMERCIAL EXPENSES	317,191	333,119	246,388	211,574	153,179	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	669,599	591,186	537,917	478,839	396,157	16
OTHER OPERATING EXPENSES	296,101	292,410	252,016	238,294	193,244	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 2,348,583 $	2,314,624 $	2,056,202 $	1,950,895 $	1,534,744	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 8,335,556 $	8,162,240 $	8,103,456 $	7,973,367 $	6,370,325	19
PLANT UNDER CONSTRUCTION	196,102	92,678	143,588	15,425	991,604	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	114,434	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	8,531,658	8,254,918	8,247,044	7,988,792	7,476,363	24
ACCUMULATED PROVISION FOR DEPR+AMORT	2,296,302	2,080,661	1,959,603	1,619,014	2,750,888	25
NET TELEPHONE PLANT	$ 6,235,356 $	6,174,257 $	6,287,441 $	6,369,778 $	4,725,475	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 8,162,240 $	8,103,456 $	7,973,367 $	6,370,325 $	6,026,672	27
ADDITIONS	545,559	422,869	225,959	3,112,630	556,535	28
RETIREMENTS	215,313	364,085	95,870	1,624,022	212,882	29
TRANSFERS AND ADJUSTMENTS	156,930-	-		114,434	-	30
PLANT IN SERVICE END OF YEAR	$ 8,335,556 $	8,162,240 $	8,103,456 $	7,973,367 $	6,370,325	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

DUNKIRK AND FREDONIA TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 4,147,358	$ 3,652,426	$ 3,163,929	$ 2,693,847	$ 2,252,895
2	ACCESS LINES (AVERAGE*)	7,628	7,602	7,554	7,531	7,472
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 1,255,937	$ 1,092,584	$ 1,052,806	$ 997,600	$ 793,098
4	OTHER OPERATION AND MAINTENANCE EXPENSES	716,018	837,114	613,782	598,585	422,132
5	DEPRECIATION AND AMORTIZATION EXPENSES	374,628	384,926	389,615	354,710	319,514
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	384,390	312,931	303,537	69,306	111,722
8	OTHER TAXES - OPERATING	420,944	406,283	366,170	331,198	277,386
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	245,385	255,061	273,080	125,540	113,089
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	27,626	27,626	27,626	16,570	27,626
11	EARNINGS AVAILABLE FOR COMMON EQUITY	722,430	335,901	137,314	200,338	187,728
12	TOTAL	$ 4,147,358	$ 3,652,426	$ 3,163,929	$ 2,693,847	$ 2,252,895
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	30.3	29.9	33.3	37.0	35.2
14	OTHER OPERATION AND MAINTENANCE EXPENSES	17.3	22.9	19.4	22.2	18.7
15	DEPRECIATION AND AMORTIZATION EXPENSES	9.0	10.5	12.3	13.2	14.2
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	9.3	8.6	9.6	2.6	5.0
18	OTHER TAXES - OPERATING	10.1	11.1	11.6	12.3	12.3
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.9	7.0	8.6	4.7	5.0
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.7	0.8	0.9	0.6	1.2
21	EARNINGS AVAILABLE FOR COMMON EQUITY	17.4	9.2	4.3	7.4	8.3
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 13.72	$ 11.98	$ 11.61	$ 11.04	$ 8.85
24	OTHER OPERATION AND MAINTENANCE EXPENSES	7.82	9.18	6.77	6.62	4.71
25	DEPRECIATION AND AMORTIZATION EXPENSES	4.09	4.22	4.30	3.93	3.56
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	4.20	3.43	3.35	0.77	1.25
28	OTHER TAXES - OPERATING	4.60	4.45	4.04	3.67	3.10
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.68	2.80	3.01	1.39	1.26
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.30	0.30	0.30	0.18	0.31
31	EARNINGS AVAILABLE FOR COMMON EQUITY	7.89	3.68	1.51	2.22	2.09
32	TOTAL	$ 45.31	$ 40.04	$ 34.91	$ 29.81	$ 25.13

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

EDWARDS TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 3,004,762	$ 2,821,201	$ 2,733,131	$ 2,592,968	$ 2,331,385
2	ACCUMULATED PROVISION FOR DEPR-AMORT	962,977	784,715	634,154	498,331	372,707
3	NET TELEPHONE PLANT	2,041,785	2,036,486	2,098,977	2,094,637	1,958,678
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	3,674	3,664	3,674	3,674	2,674
8	TOTAL INVESTMENTS AND FUNDS	3,674	3,664	3,674	3,674	2,674
9	CASH AND WORKING FUNDS	67,070	24,487	37,037	5,471	5,588
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	585,000	389,457	292,114	239,733	148,984
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	41,302	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	80,824	92,082	47,638	39,244	38,368
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	30,890	34,918	27,083	28,498	34,431
15	MATERIALS AND SUPPLIES*	27,501	30,975	28,594	18,385	34,283
16	PREPAYMENTS	25,341	22,839	23,398	20,342	15,009
17	OTHER CURRENT AND ACCRUED ASSETS	7,779	3,462	2,066	3,645	5,270
18	TOTAL CURRENT AND ACCRUED ASSETS	630,205	619,470	457,925	355,318	281,913
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	3,792	3,938	4,084	4,230	4,376
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	-	-	-	32	-
23	TOTAL DEFERRED DEBITS	3,792	3,938	4,084	4,262	4,376
24	TOTAL ASSETS AND OTHER DEBITS	2,879,456 $	2,663,558 $	2,564,660 $	2,457,891 $	2,247,641
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 67,600	$ 67,600	$ 67,600	$ 67,600	$ 67,600
26	PREFERRED CAPITAL STOCK	18,000	20,000	20,000	20,000	20,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	1,660-	1,660-	1,660-	1,660-	1,660-
33	RETAINED EARNINGS	827,410	624,014	549,632	441,039	355,217
34	TOTAL PROPRIETARY CAPITAL	911,350	709,954	635,572	526,979	441,157
35	BONDS(LESS BONDS REACQUIRED)	-	-	-	-	-
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	1,607,800	1,637,717	1,666,080	1,683,908	1,703,032
38	TOTAL LONG-TERM DEBT	1,607,800	1,637,717	1,666,080	1,683,908	1,703,032
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	19,394	36,588	23,443	24,342	9,610
40	OTHER NOTES AND ACCOUNTS PAYABLE	97,073	32,770	34,922	35,823	11,044
41	CUSTOMERS DEPOSITS	3,224	6,132	6,980	5,580	5,320
42	ADVANCE BILLING AND PAYMENTS	708	708	604	387	382
43	TAXES ACCRUED	20,106	18,714	28,012	41,410-	43,633-
44	OTHER CURRENT AND ACCRUED LIABILITIES	18,372	16,815	15,802	16,289	16,300
45	TOTAL CURRENT AND ACCRUED LIABILITIES	158,877	113,727	110,963	101,931	977-
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	153,025	161,952	122,557	127,746	99,600
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	153,025	161,952	122,557	127,746	99,600
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	48,404	40,208	29,488	17,329	4,329
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 2,879,456	$ 2,663,558	$ 2,564,660	$ 2,457,891	$ 2,247,641
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.71	3.54	3.32	3.38	3.12
54	CURRENT ASSETS/CURRENT LIABILITIES	5.23	5.45	4.13	3.49	288.54-
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	63.8	69.7	72.3	76.1	79.4
56	PREFERRED STOCK	0.7	0.8	0.8	0.9	0.9
57	COMMON STOCK+OTHER PAID-IN CAPITAL	2.6	2.8	2.8	2.9	3.0
58	RETAINED EARNINGS	32.8	26.5	23.8	19.9	16.5
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	53.5	58.0	60.9	64.9	73.0
60	PERCENT OF NET TELEPHONE PLANT	78.7	80.4	79.3	80.3	86.9
61	ACCUMULATED PROVISION FOR DEPR-AMORT PERCENT OF TELEPHONE PLANT	32.0	27.8	23.2	19.2	15.9

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

EDWARDS TELEPHONE COMPANY, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,076,116	$ 784,307	$ 801,675	$ 728,213	$ 704,550	1
OPERATION AND MAINTENANCE EXPENSE	395,868	336,329	297,867	307,678	246,927	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	184,076	178,843	167,894	151,358	98,655	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	107,888	96,031	91,062	81,225	64,611	6
INCOME TAXES-OPERATING	132,308	38,836	62,240	33,847	103,914	7
OPERATING INCOME TAXES DEFERRED	8,196	10,720	12,159	12,400	4,298-	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	-	-	-	-	9
TOTAL OPERATING EXPENSES	828,134	660,759	631,222	586,508	509,809	10
TOTAL TELEPHONE OPERATING INCOME	247,982	123,548	170,453	141,705	194,741	11
OTHER INCOME						
DIVIDEND INCOME	192	274	70	10	-	12
INTEREST INCOME	41,072	30,611	18,039	28,742	9,398	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	1,870	1,028	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	22,264	26,053	13,354	14,573	3,731	17
TOTAL OTHER INCOME	63,528	56,938	31,463	45,195	14,157	18
TOTAL INCOME	311,510	180,486	201,916	186,900	208,898	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	15,257	3,904	12,653	-	20
INCOME TAXES-NONOPERATING	17,289	-	983	1,261	-	21
MISCELLANEOUS INCOME CHARGES	8,046	6,481	2,821	513	663	22
TOTAL INCOME DEDUCTIONS	25,335	21,738	7,708	14,427	663	23
INCOME BEFORE INTEREST CHARGES	286,175	158,748	194,208	172,473	208,235	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	81,031	82,455	83,683	84,736	81,881	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	146	-	146	146	146	26
AMORT. OF PREMIUM ON DEB.-CREDIT	-	146	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	602	765	786	769	828	29
TOTAL INTEREST CHARGES	81,779	83,366	84,615	85,651	82,855	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	204,396	75,382	109,593	86,822	125,380	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME	$ 204,396	$ 75,382	$ 109,593	$ 86,822	$ 125,380	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 624,014	$ 549,632	$ 441,039	$ 355,217	$ 230,837	37
BALANCE TRANSFERRED FROM INCOME	204,396	75,382	109,593	86,822	125,380	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	1,000	1,000	1,000	1,000	1,000	42
-COMMON STOCK	-	-	-	-	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	827,410	624,014	549,632	441,039	355,217	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 827,410	$ 624,014	$ 549,632	$ 441,039	$ 355,217	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	36.7	42.8	37.1	42.2	35.0	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	17.1	22.8	20.9	20.7	14.0	49
TOTAL INCOME TAXES-OPERATING	13.1	6.3	9.3	6.4	14.1	50
OTHER TAXES-OPERATING	10.0	12.2	11.3	11.1	9.1	51
TOTAL OPERATING EXPENSES	76.9	84.2	78.7	80.5	72.3	52
OPERATING INCOME	23.0	15.7	21.2	19.4	27.6	53
DEPR. AND AMORT. % OF TELEPHONE PLANT	6.1	6.3	6.1	5.8	4.7	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	7.6	10.6	10.6	11.8	11.8	55
PRETAX INTEREST COVERAGE	5.2	2.3	3.0	2.4	3.7	56
NET INCOME-PERCENT OF OPERATING REVENUES	18.9	9.6	13.6	11.9	17.7	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	0.1	0.1	0.1	0.1	58
TIMES EARNED	204.4	75.4	109.6	86.8	125.4	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	-	-	-	-	-	61
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	25.6	11.3	19.3	18.4	34.6	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	-	-	-	63

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MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

EDWARDS TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 204,398	$ 75,382	$ 109,593	$ 86,822	$ 125,380
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	184,070	178,843	177,215	151,158	102,204
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	730-	50,116	12,159	40,846	75,066
4	INTEREST CAPITALIZED	-	-	-	1,870-	1,027-
5	OTHER (NET)	912	912	912	913	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	388,654	305,253	299,879	277,869	301,623
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	388,654	305,253	299,879	277,869	301,623
10	LESS DIVIDENDS: PREFERRED	1,000	1,000	1,000	1,000	1,000
11	COMMON	-	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	387,654	304,253	298,879	276,869	300,623
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	9,210	-	123,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	9,210	-	123,000
20	OTHER SOURCES (NET)	-	12,614	17,305	44,067	22,288
21						
22						
23	TOTAL FUNDS PROVIDED	$ 387,654	$ 316,867	$ 325,394	$ 320,936	$ 445,911
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 190,800	$ 112,953	$ 160,839	$ 283,864	$ 187,609
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	190,800	112,953	160,839	283,864	187,609
28	LESS INTEREST CAPITALIZED	-	-	-	1,870	1,027
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	190,800	112,953	160,839	281,994	186,582
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	29,917	28,363	27,830	19,126	16,160
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	29,917	28,363	27,830	19,126	16,160
37	OTHER USES (NET)	166,937	175,551	136,725	19,816	243,169
38						
39						
40	TOTAL FUNDS APPLIED	$ 387,654	$ 316,867	$ 325,394	$ 320,936	$ 445,911

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

EDWARDS TELEPHONE COMPANY, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 244,495	$ 233,365	$ 219,856	$ 216,794	$ 210,900	1
ACCESS REVENUES	180,300					2
TOLL REVENUES	633,601	549,308	579,616	510,618	497,341	3
MISCELLANEOUS REVENUES	19,462	4,146	5,746	4,881	3,179	4
UNCOLLECTIBLE REVENUES-DR	1,742	2,510	3,543	4,080	6,870	5
TOTAL TELEPHONE OPERATING REVENUE	$ 1,076,116	$ 784,307	$ 801,675	$ 728,213	$ 704,550	6
TELEPHONE ACCESS LINES IN SERVICE	1,521	1,469	1,424	1,402	1,387	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 163.54	$ 161.33	$ 155.60	$ 155.46	$ 152.11	8
ACCESS REVENUE	120.60					9
TOLL REVENUE	423.81	379.75	410.20	366.17	358.70	10

*YEAR END AVERAGE

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 119,407	$ 109,270	$ 100,394	$ 124,132	$ 81,763	11
DEPRECIATION + AMORTIZATION EXPENSES	184,076	178,843	167,804	151,358	98,655	12
TRAFFIC EXPENSES	41,429	15,668	9,669	12,364	7,456	13
COMMERCIAL EXPENSES	57,259	50,318	54,060	44,996	38,545	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	127,076	109,270	85,649	73,574	78,438	16
OTHER OPERATING EXPENSES	50,697	51,803	48,095	52,612	40,725	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 579,944	$ 515,172	$ 465,761	$ 459,036	$ 345,582	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 2,925,285	$ 2,804,971	$ 2,718,362	$ 2,569,179	$ 2,325,891	19
PLANT UNDER CONSTRUCTION	78,214	14,055	11,682	19,790	583	20
PROPERTY HELD FOR FUTURE USE	-	-	-		-	21
PLANT ACQUISITION ADJUSTMENTS	1,263	2,175	3,087	3,999	4,911	22
PLANT ADJUSTMENTS	-	-			-	23
TOTAL TELEPHONE UTILITY PLANT	3,004 ,62	2,821,201	2,733,131	2,592,968	2,331,385	24
ACCUMULATED PROVISION FOR DEPR+AMORT	962,977	784,715	634,154	498,331	372,707	25
NET TELEPHONE PLANT	$ 2,041,785	$ 2,036,486	$ 2,098,977	$ 2,094,637	$ 1,958,678	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 2,804,972	$ 2,718,362	$ 2,569,179	$ 2,325,891	$ 2,048,734	27
ADDITIONS	127,553	110,580	169,087	264,657	199,057	28
RETIREMENTS	7,240	23,970	19,904	21,369	78,100-	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 2,925,285	$ 2,804,972	$ 2,718,362	$ 2,569,179	$ 2,325,891	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

EDWARDS TELEPHONE COMPANY, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,076,116	$ 784,307	$ 801,675	$ 728,213	$ 704,550
2	ACCESS LINES (AVERAGE*)	1,495	1,447	1,413	1,395	1,387
	DOLLAR AMOUNTS					
3	WAGES AND BENEFITS	$ 92,414	$ 82,454	$ 78,044	$ 72,407	$ 76,406
4	OTHER OPERATION AND MAINTENANCE EXPENSES	303,454	253,875	219,823	235,271	170,521
5	DEPRECIATION AND AMORTIZATION EXPENSES	184,076	178,843	167,894	151,358	98,655
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	140,502	49,556	74,399	46,247	99,616
8	OTHER TAXES - OPERATING	107,688	96,031	91,062	81,225	64,611
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	81,779	83,386	84,615	84,525	82,420
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1,000	1,000	1,000	987	995
11	EARNINGS AVAILABLE FOR COMMON EQUITY	165,203	39,182	84,838	56,193	111,326
12	TOTAL	$ 1,076,116	$ 784,307	$ 801,675	$ 728,213	$ 704,550
	PERCENT OF REVENUES					
13	WAGES AND BENEFITS	8.6	10.5	9.7	9.9	10.8
14	OTHER OPERATION AND MAINTENANCE EXPENSES	28.2	32.4	27.4	32.3	24.2
15	DEPRECIATION AND AMORTIZATION EXPENSES	17.1	22.8	20.9	20.8	14.0
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	13.1	6.3	9.3	6.4	14.1
18	OTHER TAXES - OPERATING	10.0	12.2	11.4	11.2	9.2
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.6	10.6	10.6	11.6	11.7
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.1	0.1	0.1	0.1	0.1
21	EARNINGS AVAILABLE FOR COMMON EQUITY	15.4	5.0	10.6	7.7	15.8
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	DOLLARS PER AVERAGE ACCESS LINE PER MONTH					
23	WAGES AND BENEFITS	$ 5.15	$ 4.75	$ 4.60	$ 4.33	$ 4.59
24	OTHER OPERATION AND MAINTENANCE EXPENSES	16.91	14.63	12.96	14.06	10.25
25	DEPRECIATION AND AMORTIZATION EXPENSES	10.26	10.30	9.90	9.04	5.93
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	7.83	2.85	4.39	2.76	5.99
28	OTHER TAXES - OPERATING	6.00	5.53	5.37	4.85	3.88
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.56	4.80	4.99	5.05	4.95
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.06	0.06	0.06	0.06	0.06
31	EARNINGS AVAILABLE FOR COMMON EQUITY	9.21	2.26	5.00	3.36	6.69
32	TOTAL	$ 59.98	$ 45.18	$ 47.28	$ 43.52	$ 42.35

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

EMPIRE TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 11,978,768	$ 10,532,736	$ 9,385,254	$ 9,121,112	$ 8,393,632
2	ACCUMULATED PROVISION FOR DEPR+AMORT	3,738,599	3,268,439	3,132,575	2,994,894	2,573,962
3	NET TELEPHONE PLANT	8,240,169	7,264,297	6,252,679	6,126,218	5,819,670
4	INVESTMENTS IN AFFILIATED COMPANIES	9,000	9,000	9,000	9,000	9,000
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	32,501	30,838	30,838	30,838	30,510
7	OTHER INVESTMENTS AND FUNDS	147,114	142,114	142,114	142,114	126,750
8	TOTAL INVESTMENTS AND FUNDS	188,615	181,952	181,952	181,952	166,260
9	CASH AND WORKING FUNDS	104,605	241,599	104,632	1,931	35,688
10	SPECIAL CASH DEPOSITS	426	431	431	431	431
11	TEMPORARY CASH INVESTMENTS	2,975	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	272,511	230,988	119,443	22,833	4,418
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	9,267	120,944	29,002	62,074	6,045
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	65,443	77,939	62,160	70,216	45,733
15	MATERIALS AND SUPPLIES*	260,747	344,040	268,125	206,989	131,479
16	PREPAYMENTS	68,922	61,919	61,088	58,816	59,550
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	784,896	1,077,860	644,881	423,290	283,344
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	10,386	11,187	11,988	12,789	13,590
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	85,483	121,186	149,700	181,229	135,541
23	TOTAL DEFERRED DEBITS	95,869	132,373	161,688	194,018	149,131
24	TOTAL ASSETS AND OTHER DEBITS	9,309,549	$ 8,656,482	$ 7,241,180	$ 6,925,478	$ 6,418,405
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 587,737	$ 45,550	$ 45,550	$ 45,550	$ 45,550
26	PREFERRED CAPITAL STOCK	72,350	72,350	72,350	72,350	72,350
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	2,912-	2,912-	2,912-	2,912-	2,912-
33	RETAINED EARNINGS	2,186,990	2,415,731	2,033,975	1,848,693	1,704,207
34	TOTAL PROPRIETARY CAPITAL	2,844,165	2,530,719	2,148,963	1,963,681	1,819,195
35	BONDS(LESS BONDS REACQUIRED)	-	-	-	-	-
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	239,102
37	OTHER LONG-TERM DEBT	3,651,832	3,771,372	3,887,099	3,996,739	3,774,957
38	TOTAL LONG-TERM DEBT	3,651,832	3,771,372	3,887,099	3,996,739	4,014,059
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	10,685	8,880	35,444	112,958	16,687
40	OTHER NOTES AND ACCOUNTS PAYABLE	1,767,223	1,597,945	553,288	475,662	230,212
41	CUSTOMERS DEPOSITS	3,916	17,185	15,681	15,216	13,748
42	ADVANCE BILLING AND PAYMENTS	5,016	4,953	3,973	3,660	3,216
43	TAXES ACCRUED	12,979	7,024-	55,008	11,012-	21,921
44	OTHER CURRENT AND ACCRUED LIABILITIES	159,618	109,827	166,406	180,010	175,197
45	TOTAL CURRENT AND ACCRUED LIABILITIES	1,959,437	1,731,766	829,800	776,494	460,981
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	300,325	260,425	186,261	81,676	84,985
48	OTHER DEFERRED CREDITS	9,456	-	8,236	7,625	7,015
49	TOTAL DEFERRED CREDITS	309,781	260,425	194,497	89,301	92,000
50	OPERATING RESERVES	-	8,846	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	544,334	353,354	180,821	99,263	32,170
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 9,309,549	$ 8,656,482	$ 7,241,180	$ 6,925,478	$ 6,418,405
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	3.28	3.07	3.22	3.48	3.37
54	CURRENT ASSETS/CURRENT LIABILITIES	0.40	0.62	0.78	0.55	0.61
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	56.2	59.8	64.3	67.0	68.8
56	PREFERRED STOCK	1.1	1.1	1.1	1.2	1.2
57	COMMON STOCK+OTHER PAID-IN CAPITAL	9.0	0.8	0.7	0.7	0.7
58	RETAINED EARNINGS	33.6	38.3	33.6	31.0	29.2
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	30.4	35.8	41.4	43.8	47.8
60	PERCENT OF NET TELEPHONE PLANT	44.3	51.9	62.1	65.2	68.9
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	31.2	31.0	33.3	32.8	30.6

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

EMPIRE TELEPHONE CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 3,434,141	$ 3,242,085	$ 2,875,796	$ 2,516,915	$ 2,374,622	1
OPERATION AND MAINTENANCE EXPENSE	1,672,681	1,532,045	1,433,031	1,341,767	1,251,007	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	541,422	480,843	445,023	466,616	337,990	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	432,564	342,051	346,154	288,696	255,804	6
INCOME TAXES-OPERATING	80,921	123,108	154,283	57,945	159,748	7
OPERATING INCOME TAXES DEFERRED	190,980	172,533	81,558	10,494	32,170	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	-	-	-	-	9
TOTAL OPERATING EXPENSES	2,918,568	2,630,578	2,460,049	2,165,518	2,036,719	10
TOTAL TELEPHONE OPERATING INCOME	515,573	611,507	415,747	351,397	337,903	11
OTHER INCOME						
DIVIDEND INCOME	673	632	583	70	70	12
INTEREST INCOME	36,389	36,683	582	70	1,424	13
ALLOWANCE FOR CONSTRUCTION FUNDS	24,332	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	610-	610-	710-	647-	610-	16
MISCELLANEOUS INCOME	26,113	23,977	14,103	9,294	6,442	17
TOTAL OTHER INCOME	86,897	60,682	14,558	8,787	7,326	18
TOTAL INCOME	602,470	672,189	430,305	360,184	345,229	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	681	683	702	20
INCOME TAXES-NONOPERATING	5,437-	5,545-	5,648-	5,746-	5,839-	21
MISCELLANEOUS INCOME CHARGES	29,509	27,327	30,800	27,220	29,154	22
TOTAL INCOME DEDUCTIONS	24,072	21,782	25,833	22,157	24,017	23
INCOME BEFORE INTEREST CHARGES	578,398	650,407	404,472	338,027	321,212	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	151,403	160,137	159,411	161,738	155,911	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	801	801	801	801	801	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	108,499	103,464	54,729	13,084	1,813	29
TOTAL INTEREST CHARGES	260,703	264,402	214,941	175,623	158,525	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	317,695	386,005	189,531	162,404	162,687	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME	$ 317,695	$ 386,005	$ 189,531	$ 162,404	$ 162,687	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 2,415,731	$ 2,033,975	$ 1,848,693	$ 1,704,208	$ 1,556,930	37
BALANCE TRANSFERRED FROM INCOME	317,695	386,005	189,531	162,404	162,687	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	542,187	-	-	13,668	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	4,249	4,249	4,249	4,249	4,249	42
-COMMON STOCK	-	-	-	-	11,161	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,188,990	2,415,731	2,033,975	1,848,693	1,704,207	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 2,188,990	$ 2,415,731	$ 2,033,975	$ 1,848,693	$ 1,704,207	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	48.7	47.2	49.8	53.3	52.6	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	15.7	14.2	15.4	18.5	14.2	49
TOTAL INCOME TAXES-OPERATING	7.9	9.1	8.2	2.7	8.1	50
OTHER TAXES-OPERATING	12.5	10.5	12.0	11.4	10.7	51
TOTAL OPERATING EXPENSES	84.9	81.1	85.5	86.0	85.7	52
OPERATING INCOME	15.0	18.8	14.4	13.9	14.2	53
DEPR. AND AMORT % OF TELEPHONE PLANT	4.5	4.3	4.7	5.1	4.0	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	7.6	8.2	7.5	7.0	6.7	55
PRETAX INTEREST COVERAGE	3.1	3.5	2.9	2.2	3.2	56
NET INCOME-PERCENT OF OPERATING REVENUES	9.2	11.9	6.5	6.4	6.8	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.1	0.1	0.1	0.1	0.1	58
TIMES EARNED	74.8	90.8	44.6	38.2	38.3	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	-	-	-	-	0.4	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	-	-	-	-	7.0	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	11.9	16.8	9.3	8.6	9.4	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	-	-	0.6-	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

EMPIRE TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 317,695	$ 386,005	$ 189,531	$ 162,404	$ 162,687
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	603,624	520,449	503,466	531,802	401,361
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	230,880	245,723	186,143	50,116	117,155
4	INTEREST CAPITALIZED	24,332-	-	-	-	-
5	OTHER (NET):	64,108	13,032	47,172	116	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	1,191,975	1,165,209	926,312	744,438	681,203
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	1,191,975	1,165,209	926,312	744,438	681,203
10	LESS DIVIDENDS: PREFERRED	4,249	4,249	4,249	4,249	4,249
11	COMMON	-	-	-	-	11,161
12	NET FUNDS FROM INTERNAL SOURCES	1,187,726	1,160,960	922,063	740,189	665,793
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	325,750	239,102
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	500,000	250,000	250,000	-
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	500,000	250,000	575,750	239,102
20	OTHER SOURCES (NET)	557,139	4,622	28,172	4,089	112,977
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,744,865	$ 1,665,582	$ 1,200,235	$ 1,320,028	$ 1,017,872
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 1,644,267	$ 1,548,137	$ 704,661	$ 842,274	$ 912,391
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	1,644,267	1,548,137	704,661	842,274	912,391
28	LESS INTEREST CAPITALIZED	24,332	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,619,935	1,548,137	704,661	842,274	912,391
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	119,540	115,727	109,639	343,070	100,981
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET):	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	119,540	115,727	109,639	343,070	100,981
37	OTHER USES (NET)	5,390	1,718	385,935	134,684	4,500
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,744,865	$ 1,665,582	$ 1,200,235	$ 1,320,028	$ 1,017,872

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT

YEARS ENDING DECEMBER 31

EMPIRE TELEPHONE CORPORATION

ITEM		1985	1984	1983	1982	1981	LINE NO
			TELEPHONE OPERATING REVENUES				
OPERATING REVENUES							
LOCAL REVENUES	$	740,163 $	715,284 $	632,081 $	555,384 $	531,328	1
ACCESS REVENUES		849,441					2
TOLL REVENUES		1,632,382	2,455,214	2,172,478	1,879,608	1,800,903	3
MISCELLANEOUS REVENUES		237,195	84,601	83,986	91,387	51,287	4
UNCOLLECTIBLE REVENUES-DR		25,040	13,014	12,709	3,464	8,876	5
TOTAL TELEPHONE OPERATING REVENUE	$	3,434,141 $	3,242,085 $	2,875,796 $	2,516,915 $	2,374,622	6
TELEPHONE ACCESS LINES IN SERVICE		5,680	5,886	5,437	5,715	5,315	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 130.47	$ 128.85	$ 113.35	$ 100.70	$ 101.20	8
ACCESS REVENUE		149.73					9
TOLL REVENUE		287.75	442.26	389.81	340.82	343.00	10
*YEAR END AVERAGE							
			TELEPHONE OPERATION AND MAINTENANCE EXPENSES				
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	777,736 $	735,376 $	775,087 $	620,080 $	605,921	11
DEPRECIATION + AMORTIZATION EXPENSES		541,422	460,843	445,023	466,616	337,990	12
TRAFFIC EXPENSES		83,483	100,282	28,056	42,011	47,217	13
COMMERCIAL EXPENSES		84,621	90,764	97,303	32,061	81,748	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		328,457	327,769	291,857	325,326	289,726	16
OTHER OPERATING EXPENSES		389,078	275,114	244,080	252,595	211,721	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	2,204,797 $	1,990,728 $	1,881,406 $	1,798,368 $	1,574,423	18
			TELEPHONE UTILITY PLANT				
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	10,523,787 $	9,782,611 $	8,770,504 $	8,276,311 $	7,842,279	19
PLANT UNDER CONSTRUCTION		1,037,180	332,304	196,929	425,380	133,532	20
PROPERTY HELD FOR FUTURE USE		-	-	-			21
PLANT ACQUISITION ADJUSTMENTS		274,984	274,984	274,984	274,984	274,984	22
PLANT ADJUSTMENTS		142,837	142,837	142,837	142,837	142,837	23
TOTAL TELEPHONE UTILITY PLANT		11,978,768	10,532,736	9,385,254	9,121,112	8,393,632	24
ACCUMULATED PROVISION FOR DEPR+AMORT		3,738,599	3,268,439	3,132,575	2,994,894	2,573,962	25
NET TELEPHONE PLANT	$	8,240,169 $	7,264,297 $	6,252,679 $	6,126,218 $	5,819,670	26
PLANT IN SERVICE BEGINNING OF YEAR	$	9,782,611 $	8,770,504 $	8,276,311 $	7,842,279 $	7,006,209	27
ADDITIONS		939,411	1,412,782	934,712	548,826	970,198	28
RETIREMENTS		198,235	398,540	444,427	111,767	132,859	29
TRANSFERS AND ADJUSTMENTS		-	2,115-	3,908	3,027-	1,269-	30
PLANT IN SERVICE END OF YEAR	$	10,523,787 $	9,782,611 $	8,770,504 $	8,276,311 $	7,842,279	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

EMPIRE TELEPHONE CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 3,434,141	$ 3,242,085	$ 2,875,796	$ 2,516,915	$ 2,374,622
2	ACCESS LINES (AVERAGE*)	5,673	5,552	5,576	5,515	5,251
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 955,671	$ 834,039	$ 810,394	$ 857,148	$ 785,021
4	OTHER OPERATION AND MAINTENANCE EXPENSES	717,010	698,006	622,637	484,619	465,986
5	DEPRECIATION AND AMORTIZATION EXPENSES	541,422	460,843	445,023	466,616	337,990
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	271,901	295,639	235,841	68,439	191,918
8	OTHER TAXES - OPERATING	432,564	342,051	346,154	288,698	255,804
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	251,627	264,402	214,941	175,623	158,525
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	4,006	4,249	4,249	4,249	4,249
11	EARNINGS AVAILABLE FOR COMMON EQUITY	259,940	342,856	196,557	171,525	175,129
12	TOTAL	$ 3,434,141	$ 3,242,085	$ 2,875,796	$ 2,516,915	$ 2,374,622
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	27.8	25.7	28.2	34.1	33.1
14	OTHER OPERATION AND MAINTENANCE EXPENSES	20.6	21.5	21.7	19.3	19.6
15	DEPRECIATION AND AMORTIZATION EXPENSES	15.8	14.2	15.5	18.5	14.2
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	7.9	9.1	8.2	2.7	8.1
18	OTHER TAXES - OPERATING	12.6	10.6	12.0	11.5	10.8
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.3	8.2	7.5	7.0	6.7
20	PREFERRED DIVIDENDJ - NET OF ASSOCIATED AFC ON OWN FUNDS	0.1	0.1	0.1	0.2	0.2
21	EARNINGS AVAILABLE FOR COMMON EQUITY	7.6	10.6	6.8	6.8	7.4
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 14.04	$ 12.52	$ 12.11	$ 12.95	$ 12.46
24	OTHER OPERATION AND MAINTENANCE EXPENSES	10.53	10.48	9.31	7.32	7.40
25	DEPRECIATION AND AMORTIZATION EXPENSES	7.95	6.92	6.65	7.05	5.36
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	3.99	4.44	3.52	1.03	3.05
28	OTHER TAXES - OPERATING	6.35	5.13	5.17	4.36	4.06
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.70	3.97	3.21	2.65	2.52
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.08	0.06	0.06	0.06	0.07
31	EARNINGS AVAILABLE FOR COMMON EQUITY	3.82	5.15	2.94	2.59	2.78
32	TOTAL	$ 50.45	$ 48.67	$ 42.98	$ 38.03	$ 37.69

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

THE FISHERS ISLAND TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 637,009	$ 607,412	$ 578,713	$ 544,607	$ 514,734
2	ACCUMULATED PROVISION FOR DEPR+AMORT	336,451	323,740	292,589	262,886	244,586
3	NET TELEPHONE PLANT	300,558	283,671	286,123	281,721	270,147
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	-	-	-	-	-
9	CASH AND WORKING FUNDS	39,329	18,428	55,190	46,487	49,393
10	SPECIAL CASH DEPOSITS	147,056	179,804	128,943	80,000	50,000
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	9,384	17,223	-	-	-
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	42,494	56,141	49,624	40,925	36,078
15	MATERIALS AND SUPPLIES*	8,897	9,817	12,050	11,330	16,956
16	PREPAYMENTS	5,168	389	1,291	91	-
17	OTHER CURRENT AND ACCRUED ASSETS	2,986	1,125	2,526	833	304
18	TOTAL CURRENT AND ACCRUED ASSETS	255,315	282,928	249,625	179,666	152,733
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	-	-	-	-	-
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	-	-	-	-	-
23	TOTAL DEFERRED DEBITS	-	-	-	-	-
24	TOTAL ASSETS AND OTHER DEBITS	555,875	$ 566,600	$ 535,749	$ 461,387	$ 422,880
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 78,518	$ 78,518	$ 78,518	$ 78,518	$ 78,518
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	369,407	387,070	395,260	344,466	303,435
34	TOTAL PROPRIETARY CAPITAL	447,925	465,588	473,778	422,984	381,953
35	BONDS(LESS BONDS REACQUIRED)	-	-	-	-	-
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	-	-	-	-	-
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	5,970	4,623	4,613	3,646	3,007
40	OTHER NOTES AND ACCOUNTS PAYABLE	39,440	32,240	21,615	12,078	11,966
41	CUSTOMERS' DEPOSITS	610	450	1,510	875	1,008
42	ADVANCE BILLING AND PAYMENTS	-	18,691	19,111	14,959	15,670
43	TAXES ACCRUED	8,253	30,081	14,554	6,303	8,627
44	OTHER CURRENT AND ACCRUED LIABILITIES	4,550	14,924	565	542	649
45	TOTAL CURRENT AND ACCRUED LIABILITIES	58,824	101,012	61,970	38,403	40,927
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	-	-	-	-	-
48	OTHER DEFERRED CREDITS	29,956	-	-	-	-
49	TOTAL DEFERRED CREDITS	29,956	-	-	-	-
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	19,168	-	-	-	-
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 555,875	$ 566,600	$ 535,749	$ 461,387	$ 422,880
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	1.54	1.74	1.79	2.02	2.28
54	CURRENT ASSETS/CURRENT LIABILITIES	4.34	2.80	4.03	4.68	3.73
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	-	-	-	-	-
56	PREFERRED STOCK	-	-	-	-	-
57	COMMON STOCK+OTHER PAID-IN CAPITAL	17.5	16.8	16.5	18.5	20.5
58	RETAINED EARNINGS	82.4	83.1	83.4	81.4	79.4
	LONG-TERM DEBT:					
59	PERCENT OF GROSS TELEPHONE PLANT	-	-	-	-	-
60	PERCENT OF NET TELEPHONE PLANT	-	-	-	-	-
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	52.8	53.2	50.5	48.2	47.5

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

THE FISHERS ISLAND TELEPHONE CORPORATION

ITEM		1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS							
TELEPHONE OPERATING INCOME							
OPERATING REVENUES	$	403,223 $	340,470 $	313,132 $	261,657 $	217,857	1
OPERATION AND MAINTENANCE EXPENSE		203,784	160,559	191,344	161,653	133,280	2
EXTRAORDINARY RETIREMENTS		-	-	-	-	-	3
DEPRECIATION		31,604	31,190	29,703	25,988	23,648	4
AMORTIZATION		-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING		30,804	21,849	20,190	16,714	16,651	6
INCOME TAXES-OPERATING		32,599	36,095	14,303	11,503	9,724	7
OPERATING INCOME TAXES DEFERRED		2,040	-	-	-	-	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING		-	-	-	-	-	9
TOTAL OPERATING EXPENSES		300,834	249,693	255,541	215,858	183,284	10
TOTAL TELEPHONE OPERATING INCOME		102,389	90,777	57,591	45,799	34,573	11
OTHER INCOME							
DIVIDEND INCOME		-	-	-	-	-	12
INTEREST INCOME		12,514	14,823	9,904	9,335	8,989	13
ALLOWANCE FOR CONSTRUCTION FUNDS		-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS		-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY		-	-	-	-	-	16
MISCELLANEOUS INCOME		24,913	25,768	480	1,010	7,017	17
TOTAL OTHER INCOME		37,427	40,593	10,385	10,345	16,006	18
TOTAL INCOME		139,816	131,370	67,976	56,144	50,579	19
INCOME DEDUCTIONS							
TAXES OTHER THAN INC. TAXES-NONOPERATING		-	-	-	-	-	20
INCOME TAXES-NONOPERATING		-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES		38,676	39,419	100	-	-	22
TOTAL INCOME DEDUCTIONS		38,676	39,419	100	-	-	23
INCOME BEFORE INTEREST CHARGES		101,140	91,951	67,876	56,144	50,579	24
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		-	-	-	-	-	25
AMORT. OF DEBT DISCOUNT AND EXPENSE		-	-	-	-	-	26
AMORT. OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES		-	-	-	-	-	28
OTHER INTEREST EXPENSE		1,674	141	81	114	67	29
TOTAL INTEREST CHARGES		1,674	141	81	114	67	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS		99,466	91,809	67,794	56,030	50,511	31
EXTRAORDINARY/DELAYED ITEMS							
EXTRAORDINARY/DELAYED INCOME CREDITS		-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES		-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS		-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT		-	-	-	-	-	35
NET INCOME	$	99,466 $	91,809 $	67,794 $	56,030 $	50,511	36
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$	387,070 $	395,280 $	344,465 $	303,435 $	267,923	37
BALANCE TRANSFERRED FROM INCOME		99,466	91,809	67,794	56,030	50,511	38
MISCELLANEOUS CREDITS		-	-	-	-	-	39
MISCELLANEOUS DEBITS		17,120	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS		-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK		-	-	-	-	-	42
-COMMON STOCK		100,000	100,000	17,000	15,000	15,000	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR		369,407	387,070	395,260	344,465	303,435	44
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$	369,407 $	387,070 $	395,260 $	344,465 $	303,435	46
SELECTED INCOME ACCOUNT RELATIONSHIPS							
PERCENT OF TELEPHONE OPERATING REVENUES:							
OPERATION AND MAINTENANCE EXPENSE		50.5	47.1	61.1	61.7	61.1	47
EXTRAORDINARY RETIREMENTS		-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION		7.8	9.1	9.4	9.9	10.8	49
TOTAL INCOME TAXES-OPERATING		8.6	10.6	4.6	4.4	4.5	50
OTHER TAXES-OPERATING		7.6	6.4	6.4	6.3	7.6	51
TOTAL OPERATING EXPENSES		74.6	73.3	81.6	82.4	84.1	52
OPERATING INCOME		25.3	26.6	18.3	17.5	15.8	53
DEPR. AND AMORT % OF TELEPHONE PLANT		4.9	5.1	5.1	4.7	4.5	54
INTEREST EXPENSE:							
PERCENT OF OPERATING REVENUES		0.4	-	-	-	-	55
PRETAX INTEREST COVERAGE		81.1	-	-	-	-	56
NET INCOME-PERCENT OF OPERATING REVENUES		24.6	26.9	21.6	21.4	23.1	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:							
PERCENT OF OPERATING REVENUES		-	-	-	-	-	58
TIMES EARNED		-	-	-	-	-	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:							
PERCENT OF OPERATING REVENUES		24.8	29.3	5.4	5.7	6.8	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK		100.5	108.9	25.0	26.7	29.6	61
PERCENT OF AVERAGE COMMON EQUITY:							
EARNINGS AVAILABLE FOR COMMON STOCK		21.7	19.5	15.1	13.9	13.8	62
DIVIDEND APPROPRIATIONS, COMMON STOCK		21.8	21.2	3.7	3.7	4.1	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

THE FISHERS ISLAND TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 99,465	$ 91,809	$ 67,794	$ 56,030	$ 50,511
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	31,604	31,150	29,703	25,988	23,648
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	-	-	-	-	-
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET):	49,125	-	-	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	180,195	122,959	97,498	82,018	74,159
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	180,195	122,959	97,498	82,018	74,159
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	100,000	100,000	17,000	15,000	15,000
12	NET FUNDS FROM INTERNAL SOURCES	80,195	22,959	80,498	67,018	59,159
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	-
20	OTHER SOURCES (NET):	34,737	5,739	-	-	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 114,932	$ 28,699	$ 80,498	$ 67,018	$ 59,159
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 48,491	$ 28,699	$ 34,106	$ 37,562	$ 34,204
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	48,491	28,699	34,106	37,562	34,204
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	48,491	28,699	34,106	37,562	34,204
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	-	-	-	-
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET):	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	-	-	-	-	-
37	OTHER USES (NET):	66,441	-	46,392	29,456	24,955
38						
39						
40	TOTAL FUNDS APPLIED	$ 114,932	$ 28,699	$ 80,498	$ 67,018	$ 59,159

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

THE FISHERS ISLAND TELEPHONE CORPORATION

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	69,132 $	57,948 $	57,893 $	71,341 $	54,087	1
ACCESS REVENUES		228,576					2
TOLL REVENUES		77,382	264,773	218,298	157,900	128,655	3
MISCELLANEOUS REVENUES		28,132	17,750	36,941	32,416	37,113	4
UNCOLLECTIBLE REVENUES-DR		2,309	-	-	-	-	5
TOTAL TELEPHONE OPERATING REVENUE	$	400,913 $	340,470 $	313,132 $	261,657 $	217,857	6
TELEPHONE ACCESS LINES IN SERVICE		771	722	701	687	625	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 92.61	$ 81.44	$ 83.42	$ 108.75	$ 89.33	8
ACCESS REVENUE		308.20					9
TOLL REVENUE		103.86	372.13	314.55	240.70	209.17	10
*YEAR END AVERAGE							
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	80,487 $	55,554 $	64,381 $	57,211 $	38,087	11
DEPRECIATION + AMORTIZATION EXPENSES		31,605	31,150	29,703	25,988	23,648	12
TRAFFIC EXPENSES		41	1,237	4,810	4,798	1,489	13
COMMERCIAL EXPENSES		19,259	19,151	20,508	16,763	19,295	14
ACCESS EXPENSES		12,415	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		37,328	24,253	27,021	22,141	19,227	16
OTHER OPERATING EXPENSES		54,254	60,400	74,642	60,737	57,160	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	235,389 $	191,748 $	221,047 $	187,641 $	158,906	18
TELEPHONE UTILITY PLANT							
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	637,009 $	577,124 $	566,801 $	544,607 $	514,734	19
PLANT UNDER CONSTRUCTION		-	30,288	11,911		-	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-	-	22
PLANT ADJUSTMENTS		-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT		637,009	607,412	578,713	544,607	514,734	24
ACCUMULATED PROVISION FOR DEPR+AMORT		336,451	323,740	292,589	262,886	244,586	25
NET TELEPHONE PLANT	$	300,558 $	283,671 $	286,123 $	281,721 $	270,147	26
PLANT IN SERVICE BEGINNING OF YEAR	$	577,124 $	566,801 $	544,608 $	514,734 $	480,529	27
ADDITIONS		32,047	10,322	22,195	37,562	48,466	28
RETIREMENTS		18,893	-	-	7,689	14,261	29
TRANSFERS AND ADJUSTMENTS		46,731	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$	637,009 $	577,124 $	566,801 $	544,606 $	514,734	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

THE FISHERS ISLAND TELEPHONE CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 403,223	$ 340,470	$ 313,132	$ 261,657	$ 217,857
2	ACCESS LINES (AVERAGE*)	747	712	694	656	606
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 67,021	$ 64,598	$ 50,436	$ 62,159	$ 40,426
4	OTHER OPERATION AND MAINTENANCE EXPENSES	136,763	96,000	140,908	99,494	92,834
5	DEPRECIATION AND AMORTIZATION EXPENSES	31,605	31,150	29,703	25,988	23,648
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	34,639	36,095	14,303	11,503	9,724
8	OTHER TAXES - OPERATING	30,804	21,849	20,190	16,714	16,651
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1,674	141	81	114	67
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	100,715	90,636	57,510	45,685	34,506
12	TOTAL	$ 403,223	$ 340,470	$ 313,132	$ 261,657	$ 217,857
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	16.6	19.0	16.1	23.8	18.6
14	OTHER OPERATION AND MAINTENANCE EXPENSES	33.9	28.2	45.0	38.0	42.6
15	DEPRECIATION AND AMORTIZATION EXPENSES	7.8	9.1	9.5	9.9	10.9
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	8.6	10.6	4.6	4.4	4.5
18	OTHER TAXES - OPERATING	7.6	6.4	6.4	6.4	7.6
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	0.4	-	-	-	-
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	25.0	26.6	18.4	17.5	15.8
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 7.48	$ 7.57	$ 6.06	$ 7.90	$ 5.56
24	OTHER OPERATION AND MAINTENANCE EXPENSES	15.27	11.24	16.92	12.64	12.78
25	DEPRECIATION AND AMORTIZATION EXPENSES	3.53	3.65	3.57	3.30	3.25
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	3.87	4.23	1.72	1.46	1.34
28	OTHER TAXES - OPERATING	3.44	2.56	2.42	2.12	2.29
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	0.19	0.02	0.01	0.01	0.01
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	11.24	10.62	6.91	5.80	4.75
32	TOTAL	$ 45.01	$ 39.88	$ 37.60	$ 33.24	$ 29.98

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

GERMANTOWN TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 2,553,743	$ 2,456,167	$ 2,397,317	$ 2,245,196	$ 2,123,468
2	ACCUMULATED PROVISION FOR DEPR+AMORT	879,341	759,147	670,108	577,877	489,916
3	NET TELEPHONE PLANT	1,680,402	1,697,020	1,727,209	1,667,319	1,633,552
4	INVESTMENTS IN AFFILIATED COMPANIES	60,444	55,971	6,677	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	25,866	16,421	8,718	-	-
8	TOTAL INVESTMENTS AND FUNDS	86,310	72,392	15,395	-	-
9	CASH AND WORKING FUNDS	282,550	179,040	129,144	97,334	84,231
10	SPECIAL CASH DEPOSITS	100	100	100	100	100
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	11,986	11,820	1,630	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	161,009	120,689	9,125	17,153	11,461
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	113,883	125,075	113,713	109,704	99,822
15	MATERIALS AND SUPPLIES*	10,135	10,880	14,254	39,337	36,963
16	PREPAYMENTS	23,105	21,866	20,725	18,226	24,987
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	602,768	469,470	288,891	281,854	257,564
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	11,436	6,045	6,279	6,513	6,747
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	25,084	10,314	10,274	2,175	2,673
23	TOTAL DEFERRED DEBITS	36,520	16,359	16,553	8,688	9,420
24	TOTAL ASSETS AND OTHER DEBITS	2,408,000 $	2,255,241 $	2,047,848 $	1,957,861 $	1,900,536
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 80,000	$ 80,000	$ 80,000	$ 80,000	$ 80,000
26	PREFERRED CAPITAL STOCK	-	-	-	50,000	50,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	583,300	400,646	330,144	275,463	247,446
34	TOTAL PROPRIETARY CAPITAL	663,300	480,646	410,144	405,463	377,446
35	BONDS(LESS BONDS REACQUIRED)	1,336,858	1,364,138	1,390,028	1,414,696	1,438,182
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	34,000	40,000	45,000	-	-
38	TOTAL LONG-TERM DEBT	1,370,858	1,404,138	1,435,028	1,414,696	1,438,182
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	2,020	393	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	210,981	275,769	129,972	76,938	24,757
41	CUSTOMERS' DEPOSITS	570	2,800	2,450	2,190	2,120
42	ADVANCE BILLING AND PAYMENTS	6,360	5,712	5,359	6,110	4,695
43	TAXES ACCRUED	4,594-	2,579	9,394	5,206	6,210
44	OTHER CURRENT AND ACCRUED LIABILITIES	18,963	19,102	18,538	14,988	15,182
45	TOTAL CURRENT AND ACCRUED LIABILITIES	232,280	307,982	166,106	105,432	52,964
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	103,894	41,768	29,252	25,839	24,799
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	103,894	41,768	29,252	25,839	24,799
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	35,668	20,707	7,318	6,431	7,145
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 2,408,000	$ 2,255,241	$ 2,047,848	$ 1,957,861	$ 1,900,536
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.04	2.35	2.44	2.51	2.97
54	CURRENT ASSETS/CURRENT LIABILITIES	2.60	1.52	1.74	2.67	4.86
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	67.3	74.4	77.7	77.7	79.2
56	PREFERRED STOCK	-	-	-	2.7	2.7
57	COMMON STOCK+OTHER PAID-IN CAPITAL	3.9	4.2	4.3	4.3	4.4
58	RETAINED EARNINGS	28.6	21.2	17.8	15.1	13.6
	LONG-TERM DEBT:					
59	PERCENT OF GROSS TELEPHONE PLANT	53.5	57.1	59.8	63.0	67.7
60	PERCENT OF NET TELEPHONE PLANT	81.5	82.7	83.0	84.8	88.0
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	34.3	30.9	27.9	25.7	23.0

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

GERMANTOWN TELEPHONE COMPANY, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,230,256	$ 1,033,932	$ 950,412	$ 888,691	$ 704,488	1
OPERATION AND MAINTENANCE EXPENSE	649,773	627,398	616,775	567,123	346,429	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	136,708	106,867	101,879	95,494	83,076	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	100,219	107,002	100,981	85,665	71,830	6
INCOME TAXES-OPERATING	85,637	22,156	7,185	7,186	32,391	7
OPERATING INCOME TAXES DEFERRED	16,354	13,293	3,322	1,102	5,303	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	1,393-	98	2,435-	1,816-	5,681-	9
TOTAL OPERATING EXPENSES	987,298	876,612	827,707	754,754	533,348	10
TOTAL TELEPHONE OPERATING INCOME	242,958	157,320	122,705	113,937	171,140	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	13,149	11,393	7,409	5,785	1,892	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	1,514	7,400-	8,202	5,610	8,289	17
TOTAL OTHER INCOME	14,663	3,993	15,611	11,395	10,181	18
TOTAL INCOME	257,621	161,313	138,316	125,332	181,321	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	1,160	2,037	543-	10,315	6,338	22
TOTAL INCOME DEDUCTIONS	1,160	2,037	543-	10,315	6,338	23
INCOME BEFORE INTEREST CHARGES	256,461	159,276	138,859	115,017	174,983	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	67,423	68,826	70,057	71,249	71,947	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	234	234	234	234	234	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	14,750	16,631	12,428	2,667	185	29
TOTAL INTEREST CHARGES	82,407	85,691	82,719	74,150	72,366	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	174,054	73,585	56,140	40,867	102,617	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	12,600	917	2,541	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	5,100-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT ?	12,600	917	2,541	5,100-	-	35
NET INCOME	$ 186,654	$ 74,502	$ 58,681	$ 35,767	$ 102,617	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 400,646	$ 330,144	$ 275,463	$ 247,446	$ 151,829	37
BALANCE TRANSFERRED FROM INCOME	186,654	74,502	58,681	35,767	102,617	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	3,750	3,000	42
-COMMON STOCK	4,000	4,000	4,000	4,000	4,000	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	583,300	400,646	330,144	275,463	247,446	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 583,300	$ 400,646	$ 330,144	$ 275,463	$ 247,446	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	52.8	60.6	64.8	65.2	49.1	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	11.1	10.3	10.7	10.9	11.7	49
TOTAL INCOME TAXES-OPERATING	8.2	3.4	0.8	0.7	4.5	50
OTHER TAXES-OPERATING	8.1	10.3	10.6	9.8	10.1	51
TOTAL OPERATING EXPENSES	80.2	84.7	87.0	86.8	75.7	52
OPERATING INCOME	19.7	15.2	12.9	13.1	24.2	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.3	4.3	4.2	4.2	3.9	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	6.7	8.3	8.7	8.5	10.3	55
PRETAX INTEREST COVERAGE	4.2	2.2	1.7	1.6	2.7	56
NET INCOME-PERCENT OF OPERATING REVENUES	15.1	7.2	6.1	4.1	14.5	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	-	-	-	0.4	0.4	58
TIMES EARNED	-	-	-	9.5	34.2	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	0.3	0.3	0.4	0.4	0.5	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	2.1	5.3	6.8	12.4	4.0	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	32.6	18.7	15.3	9.3	35.6	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	0.6	0.8	1.0	1.1	1.4	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

GERMANTOWN TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 174,054	$ 73,585	$ 56,140	$ 40,867	$ 102,617
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	147,540	120,311	115,029	106,840	95,141
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	77,087	25,905	4,300	328	22,246
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET):	-	-	-	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	398,681	219,801	175,469	148,033	220,004
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	12,600	917	2,541	5,100-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	411,281	220,718	178,010	142,933	220,004
10	LESS DIVIDENDS: PREFERRED	-	-	-	3,750	3,000
11	COMMON	4,000	4,000	4,000	4,000	4,000
12	NET FUNDS FROM INTERNAL SOURCES	407,281	216,718	174,010	135,183	213,004
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	50,000	-	23,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	61,942	-	50,743	-
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	61,942	50,000	50,743	23,000
20	OTHER SOURCES (NET):	3,959	5,319	79,985	11,259	3,814
21						
22						
23	TOTAL FUNDS PROVIDED	$ 411,240	$ 283,979	$ 303,995	$ 197,185	$ 239,818
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 130,651	$ 88,433	$ 179,027	$ 142,599	$ 81,777
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	130,651	88,433	179,027	142,599	81,777
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	130,651	88,433	179,027	142,599	81,777
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	27,280	25,890	24,668	23,486	19,751
31	PREFERRED STOCK	-	-	50,000	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	8,652	-	15,521	-	-
34	OTHER (NET):	6,000	5,000	5,000	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	41,932	30,890	95,189	23,486	19,751
37	OTHER USES (NET):	238,657	164,656	29,779	31,100	138,290
38						
39						
40	TOTAL FUNDS APPLIED	$ 411,240	$ 283,979	$ 303,995	$ 197,185	$ 239,818

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

GERMANTOWN TELEPHONE COMPANY, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 348,679	$ 282,103	$ 244,633	$ 232,237	$ 221,346	1
ACCESS REVENUES	489,348					2
TOLL REVENUES	283,631	750,820	694,233	619,978	463,091	3
MISCELLANEOUS REVENUES	123,104	33,345	26,877	32,224	24,802	4
UNCOLLECTIBLE REVENUES-DR	14,508	12,336	15,331	15,748	4,751	5
TOTAL TELEPHONE OPERATING REVENUE	$ 1,230,256	$ 1,033,932	$ 950,412	$ 868,691	$ 704,488	6
TELEPHONE ACCESS LINES IN SERVICE	1,735	1,706	1,645	1,643	1,647	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 202 66	$ 156 43	$ 148 80	$ 141 18	$ 137 27	8
ACCESS REVENUE	284 42					9
TOLL REVENUE	164 85	448 12	422 28	376 89	287 19	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 212,802	$ 218,000	$ 202,008	$ 208,543	$ 110,411	11
DEPRECIATION + AMORTIZATION EXPENSES	136,708	106,667	101,879	95,494	83,076	12
TRAFFIC EXPENSES	23,081	26,042	9,078	9,040	8,348	13
COMMERCIAL EXPENSES	61,016	57,109	56,463	50,163	33,176	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	202,558	183,299	177,193	153,856	96,978	16
OTHER OPERATING EXPENSES	150,517	142,948	172,033	145,521	97,516	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 786,482	$ 734,065	$ 718,654	$ 662,617	$ 429,505	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 2,559,743	$ 2,456,167	$ 2,298,171	$ 2,216,735	$ 2,123,468	19
PLANT UNDER CONSTRUCTION	-	-	99,146	28,461	-	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	2,559,743	2,456,167	2,397,317	2,245,196	2,123,468	24
ACCUMULATED PROVISION FOR DEPR+AMORT	879,341	759,147	670,108	577,877	489,916	25
NET TELEPHONE PLANT	$ 1,680,402	$ 1,697,020	$ 1,727,209	$ 1,667,319	$ 1,633,552	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 2,456,167	$ 2,298,171	$ 2,216,735	$ 2,123,468	$ 2,047,658	27
ADDITIONS	130,651	187,884	108,342	114,138	95,547	28
RETIREMENTS	27,075	29,888	26,906	20,871	19,737	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 2,559,743	$ 2,456,167	$ 2,298,171	$ 2,216,735	$ 2,123,468	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

GERMANTOWN TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,230,256	$ 1,033,932	$ 950,412	$ 868,691	$ 704,488
2	ACCESS LINES (AVERAGE*)	1,721	1,678	1,644	1,645	1,613
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 354,388	$ 323,357	$ 287,875	$ 254,706	$ 152,416
4	OTHER OPERATION AND MAINTENANCE EXPENSES	295,408	304,041	328,900	312,417	194,013
5	DEPRECIATION AND AMORTIZATION EXPENSES	136,708	108,867	101,879	95,494	83,076
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	100,598	35,545	8,072	6,472	32,013
8	OTHER TAXES - OPERATING	100,219	107,002	100,981	85,665	71,830
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	82,407	85,691	82,719	74,150	72,366
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	3,750	3,000
11	EARNINGS AVAILABLE FOR COMMON EQUITY	160,551	71,629	39,986	36,037	35,774
12	TOTAL	$ 1,230,256	$ 1,033,932	$ 950,412	$ 868,691	$ 704,488
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	28.8	31.3	30.3	29.3	21.6
14	OTHER OPERATION AND MAINTENANCE EXPENSES	24.0	29.4	34.6	36.0	27.5
15	DEPRECIATION AND AMORTIZATION EXPENSES	11.1	10.3	10.7	11.0	11.8
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	8.2	3.4	0.8	0.7	4.5
18	OTHER TAXES - OPERATING	8.1	10.3	10.6	9.9	10.2
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	6.7	8.3	8.7	8.5	10.3
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	0.4	0.4
21	EARNINGS AVAILABLE FOR COMMON EQUITY	13.1	6.9	4.2	4.1	13.6
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 17.16	$ 16.08	$ 14.59	$ 12.90	$ 7.88
24	OTHER OPERATION AND MAINTENANCE EXPENSES	14.31	15.12	16.67	15.83	10.03
25	DEPRECIATION AND AMORTIZATION EXPENSES	6.62	5.31	5.16	4.84	4.29
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	4.87	1.77	0.41	0.33	1.65
28	OTHER TAXES - OPERATING	4.85	5.32	5.12	4.34	3.71
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.99	4.28	4.19	3.78	3.74
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	0.19	0.16
31	EARNINGS AVAILABLE FOR COMMON EQUITY	7.78	3.56	2.03	1.83	4.95
32	TOTAL	$ 59.59	$ 51.42	$ 48.18	$ 44.01	$ 36.41

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

HANCOCK TELEPHONE COMPANY, THE

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 2,416,284	$ 2,080,778	$ 1,990,097	$ 1,833,571	$ 1,685,549
2	ACCUMULATED PROVISION FOR DEPR+AMORT	946,385	823,483	696,941	572,746	493,258
3	NET TELEPHONE PLANT	1,469,899	1,257,295	1,293,156	1,260,825	1,192,291
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	9,710	7,422	5,749	-	-
7	OTHER INVESTMENTS AND FUNDS	40,800	35,800	32,800	32,800	32,800
8	TOTAL INVESTMENTS AND FUNDS	50,510	43,222	38,549	32,800	32,800
9	CASH AND WORKING FUNDS	949	423	4,280	13,220	60,548
10	SPECIAL CASH DEPOSITS	115,655	44,452	105,781	32,332	-
11	TEMPORARY CASH INVESTMENTS	-	182,303	-	40,000	60,000
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	102,114	116,133	38,904	20,341	14,609
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	93,924	85,800	61,646	64,008	63,402
15	MATERIALS AND SUPPLIES*	29,513	31,634	27,935	23,598	16,144
16	PREPAYMENTS	40,229	44,303	49,088	20,736	18,255
17	OTHER CURRENT AND ACCRUED ASSETS	15,211	12,916	11,711	10,011	8,394
18	TOTAL CURRENT AND ACCRUED ASSETS	397,595	517,964	299,343	224,746	241,352
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	9,806	10,192	10,577	10,962	11,347
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	2,414	4,072	5,696	6,545	10,020
23	TOTAL DEFERRED DEBITS	12,220	14,264	16,273	17,507	21,367
24	TOTAL ASSETS AND OTHER DEBITS	1,930,224	$ 1,832,745	$ 1,647,321	$ 1,535,878	$ 1,487,810
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	552,501	468,223	396,333	374,002	313,788
34	TOTAL PROPRIETARY CAPITAL	612,501	528,223	456,333	434,002	373,788
35	BONDS(LESS BONDS REACQUIRED)	999,389	1,013,876	1,069,165	1,002,748	1,014,516
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	81,079	70,017	-	-	-
38	TOTAL LONG-TERM DEBT	1,080,468	1,083,893	1,069,165	1,002,748	1,014,516
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	84,437	93,752	14,740	3,453	9,332
41	CUSTOMERS' DEPOSITS	2,734	7,934	7,235	7,024	7,919
42	ADVANCE BILLING AND PAYMENTS	13,335	13,170	11,435	11,560	11,810
43	TAXES ACCRUED	4,559	7,592	7,377	491	6,629
44	OTHER CURRENT AND ACCRUED LIABILITIES	10,184	9,397	9,613	8,780	9,302
45	TOTAL CURRENT AND ACCRUED LIABILITIES	115,249	131,845	50,400	31,308	44,992
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	105,319	64,064	44,906	43,884	35,953
48	OTHER DEFERRED CREDITS	2,175	1,122	288	-	-
49	TOTAL DEFERRED CREDITS	107,494	65,186	45,194	43,884	35,953
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	34,512	25,598	26,229	23,936	18,561
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,930,224	$ 1,832,745	$ 1,647,321	$ 1,535,878	$ 1,487,810
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.58	2.39	2.72	2.88	2.71
54	CURRENT ASSETS/CURRENT LIABILITIES	3.45	3.93	5.94	7.18	5.36
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	63.3	67.3	70.0	69.7	73.0
56	PREFERRED STOCK	-	-	-	-	-
57	COMMON STOCK+OTHER PAID-IN CAPITAL	3.5	3.7	3.9	4.1	4.3
58	RETAINED EARNINGS	33.0	28.9	25.9	26.0	22.6
	LONG-TERM DEBT:					
59	PERCENT OF GROSS TELEPHONE PLANT	43.8	52.0	53.7	54.6	60.1
60	PERCENT OF NET TELEPHONE PLANT	72.1	86.2	82.6	79.5	85.0
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	39.1	39.5	35.0	31.2	29.2

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

HANCOCK TELEPHONE COMPANY, THE

ITEM		1985	1984	1983	1982	1981	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS							
TELEPHONE OPERATING INCOME							
OPERATING REVENUES	$	877,385 $	851,056 $	703,307 $	616,604 $	614,671	1
OPERATION AND MAINTENANCE EXPENSE		450,729	471,315	404,382	314,429	286,227	2
EXTRAORDINARY RETIREMENTS		-	-	-	-	-	3
DEPRECIATION		133,363	132,283	120,470	89,702	73,598	4
AMORTIZATION		-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING		88,545	95,213	83,851	70,594	63,539	6
INCOME TAXES-OPERATING		43,325	19,192	1,022	7,931	31,866	7
OPERATING INCOME TAXES DEFERRED		222-	2,472	3,296	5,272	4,063	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING		9,136	3,103-	1,003-	103	1,940-	9
TOTAL OPERATING EXPENSES		724,876	717,372	612,018	488,031	457,353	10
TOTAL TELEPHONE OPERATING INCOME		152,509	133,684	91,289	128,573	157,318	11
OTHER INCOME							
DIVIDEND INCOME		-	-	-	-	-	12
INTEREST INCOME		15,462	16,589	9,149	10,577	4,034	13
ALLOWANCE FOR CONSTRUCTION FUNDS		-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS		-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY		215-	1,015-	-	-	-	16
MISCELLANEOUS INCOME		9,109	5,985	1,728	605	252	17
TOTAL OTHER INCOME		24,356	21,559	10,877	11,182	4,286	18
TOTAL INCOME		176,865	155,243	102,166	139,755	161,604	19
INCOME DEDUCTIONS							
TAXES OTHER THAN INC. TAXES-NONOPERATING		-	-	-	-	-	20
INCOME TAXES-NONOPERATING		-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES		3,735	1,723	830	913	930	22
TOTAL INCOME DEDUCTIONS		3,735	1,723	830	913	930	23
INCOME BEFORE INTEREST CHARGES		173,130	153,520	101,336	138,842	160,674	24
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		70,772	71,700	67,138	67,089	67,814	25
AMORT. OF DEBT DISCOUNT AND EXPENSE		385	385	385	385	385	26
AMORT. OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES		-	-	-	-	-	28
OTHER INTEREST EXPENSE		282	745	682	954	711	29
TOTAL INTEREST CHARGES		71,439	72,830	68,205	68,428	68,910	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS		101,691	80,690	33,131	70,414	91,764	31
EXTRAORDINARY/DELAYED ITEMS							
EXTRAORDINARY/DELAYED INCOME CREDITS		4,790	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES		-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS		2,203	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT		2,587	-	-	-	-	35
NET INCOME	$	104,278 $	80,690 $	33,131 $	70,414 $	91,764	36
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$	466,223 $	396,333 $	374,002 $	313,788 $	230,424	37
BALANCE TRANSFERRED FROM INCOME		104,278	80,690	33,131	70,414	91,764	38
MISCELLANEOUS CREDITS		-	-	-	-	-	39
MISCELLANEOUS DEBITS		-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS		-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK		-	-	-	-	-	42
-COMMON STOCK		18,000	10,800	10,800	10,200	8,400	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR		552,501	466,223	396,333	374,002	313,788	44
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$	552,501 $	466,223 $	396,333 $	374,002 $	313,788	46
SELECTED INCOME ACCOUNT RELATIONSHIPS							
PERCENT OF TELEPHONE OPERATING REVENUES:							
OPERATION AND MAINTENANCE EXPENSE		51.3	55.3	57.4	50.9	46.5	47
EXTRAORDINARY RETIREMENTS		-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION		15.2	15.5	17.1	14.5	11.9	49
TOTAL INCOME TAXES-OPERATING		6.0	2.2	0.5	2.2	5.5	50
OTHER TAXES-OPERATING		10.0	11.1	11.9	11.4	10.3	51
TOTAL OPERATING EXPENSES		82.6	84.2	87.0	79.1	74.4	52
OPERATING INCOME		17.3	15.7	12.9	20.8	25.5	53
DEPR. AND AMORT % OF TELEPHONE PLANT		5.5	6.3	6.0	4.8	4.3	54
INTEREST EXPENSE:							
PERCENT OF OPERATING REVENUES		8.1	8.6	9.7	11.1	11.2	55
PRETAX INTEREST COVERAGE		3.2	2.4	1.5	2.2	2.8	56
NET INCOME-PERCENT OF OPERATING REVENUES		11.8	9.4	4.7	11.4	14.9	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:							
PERCENT OF OPERATING REVENUES		-	-	-	-	-	58
TIMES EARNED		-	-	-	-	-	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:							
PERCENT OF OPERATING REVENUES		2.0	1.2	1.5	1.6	1.3	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK		17.2	13.3	32.5	14.4	9.1	61
PERCENT OF AVERAGE COMMON EQUITY:							
EARNINGS AVAILABLE FOR COMMON STOCK		18.3	18.4	7.4	17.4	27.6	62
DIVIDEND APPROPRIATIONS, COMMON STOCK		3.1	2.1	2.4	2.5	2.5	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

HANCOCK TELEPHONE COMPANY, THE

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 101,691	$ 80,690	$ 33,131	$ 70,414	$ 91,764
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	147,620	153,709	139,198	103,666	85,813
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	50,169	18,527	3,315	13,306	30,721
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET):	1,053	834	-	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	300,533	253,760	175,644	187,386	208,298
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	2,587	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	303,120	253,760	175,644	187,386	208,298
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	18,000	10,800	10,800	10,200	8,400
12	NET FUNDS FROM INTERNAL SOURCES	285,120	242,960	164,844	177,186	199,898
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	37,000	80,445	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	37,000	80,445	-	-
20	OTHER SOURCES (NET):	127,082	8,924	5,721	14,965	17,445
21						
22						
23	TOTAL FUNDS PROVIDED	$ 412,202	$ 288,884	$ 251,010	$ 192,151	$ 217,343
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 381,489	$ 119,623	$ 174,366	$ 177,684	$ 67,304
25	NON-UTILITY PLANT	2,288	1,673	5,749	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	383,777	121,296	180,115	177,684	67,304
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	383,777	121,296	180,115	177,684	67,304
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	23,425	22,272	14,028	11,768	11,068
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET):	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	23,425	22,272	14,028	11,768	11,068
37	OTHER USES (NET):	5,000	145,316	56,867	2,699	138,971
38						
39						
40	TOTAL FUNDS APPLIED	$ 412,202	$ 288,884	$ 251,010	$ 192,151	$ 217,343

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

HANCOCK TELEPHONE COMPANY, THE

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 236,524	$ 232,038	$ 213,583	$ 212,172	$ 212,001	1
ACCESS REVENUES	262,248					2
TOLL REVENUES	279,209	595,474	481,708	393,872	389,068	3
MISCELLANEOUS REVENUES	100,004	24,146	14,016	19,560	19,602	4
UNCOLLECTIBLE REVENUES-DR	600	600	6,000	9,000	6,000	5
TOTAL TELEPHONE OPERATING REVENUE	$ 877,385	$ 851,056	$ 703,307	$ 616,604	$ 614,671	6
TELEPHONE ACCESS LINES IN SERVICE	1,298	1,262	1,254	1,260	1,271	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 184.93	$ 184.45	$ 169.91	$ 167.66	$ 171.38	8
ACCESS REVENUE	205.04					9
TOLL REVENUE	218.30	473.35	383.22	311.24	314.53	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 100,810	$ 101,835	$ 104,895	$ 84,344	$ 72,143	11
DEPRECIATION + AMORTIZATION EXPENSES	133,363	132,283	120,470	89,702	73,598	12
TRAFFIC EXPENSES	26,016	30,109	5,808	5,566	5,540	13
COMMERCIAL EXPENSES	33,452	39,156	34,145	30,215	24,799	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	167,864	185,608	129,914	120,489	98,573	16
OTHER OPERATING EXPENSES	122,597	114,608	129,620	73,815	84,172	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 584,092	$ 603,598	$ 524,852	$ 404,131	$ 359,825	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 2,286,692	$ 1,974,531	$ 1,899,635	$ 1,757,197	$ 1,603,350	19
PLANT UNDER CONSTRUCTION	55,648	31,493	14,898	-	3,472	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	1,485	2,295	3,105	3,915	4,725	22
PLANT ADJUSTMENTS	72,459	72,459	72,459	72,459	74,002	23
TOTAL TELEPHONE UTILITY PLANT	2,416,284	2,080,778	1,990,097	1,833,571	1,685,549	24
ACCUMULATED PROVISION FOR DEPR+AMORT	946,385	823,483	696,941	572,746	493,258	25
NET TELEPHONE PLANT	$ 1,469,899	$ 1,257,295	$ 1,293,156	$ 1,260,825	$ 1,192,291	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 1,974,531	$ 1,899,635	$ 1,757,197	$ 1,603,350	$ 1,557,204	27
ADDITIONS	357,334	103,028	159,649	181/156	73,514	28
RETIREMENTS	45,173	28,132	17,030	27,309	27,368	29
TRANSFERS AND ADJUSTMENTS	-	-	181-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 2,286,692	$ 1,974,531	$ 1,899,635	$ 1,757,197	$ 1,603,350	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

HANCOCK TELEPHONE COMPANY, THE

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 877,385	$ 851,056	$ 703,307	$ 618,604	$ 614,671
2	ACCESS LINES (AVERAGE*)	1,279	1,258	1,257	1,286	1,237
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 239,164	$ 252,637	$ 245,906	$ 188,815	$ 172,480
4	OTHER OPERATION AND MAINTENANCE EXPENSES	211,566	218,678	158,476	127,614	113,747
5	DEPRECIATION AND AMORTIZATION EXPENSES	133,383	132,283	120,470	89,702	73,598
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	52,239	18,561	3,315	13,306	33,989
8	OTHER TAXES - OPERATING	88,545	95,213	83,851	70,594	63,539
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	71,439	72,830	68,205	68,428	68,910
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	81,070	60,854	23,084	60,145	88,408
12	TOTAL	$ 877,385	$ 851,056	$ 703,307	$ 618,604	$ 614,671
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	27.3	29.7	35.0	30.3	28.1
14	OTHER OPERATION AND MAINTENANCE EXPENSES	24.1	25.7	22.5	20.7	18.5
15	DEPRECIATION AND AMORTIZATION EXPENSES	15.2	15.5	17.1	14.5	12.0
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	6.0	2.2	0.5	2.2	5.5
18	OTHER TAXES - OPERATING	10.1	11.2	11.9	11.4	10.3
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8.1	8.6	9.7	11.1	11.2
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	9.2	7.2	3.3	9.8	14.4
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 15.58	$ 16.74	$ 16.30	$ 12.30	$ 11.62
24	OTHER OPERATION AND MAINTENANCE EXPENSES	13.78	14.49	10.51	8.40	7.66
25	DEPRECIATION AND AMORTIZATION EXPENSES	8.69	8.76	7.99	5.81	4.96
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	3.40	1.23	0.22	0.88	2.29
28	OTHER TAXES - OPERATING	5.77	6.31	5.56	4.65	4.28
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.65	4.82	4.52	4.51	4.64
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	5.28	4.03	1.53	3.98	5.96
32	TOTAL	$ 57.17	$ 56.38	$ 46.63	$ 40.60	$ 41.41

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

HIGHLAND TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 63,835,406	$ 58,530,772	$ 52,531,561	$ 49,353,431	$ 46,378,231
2	ACCUMULATED PROVISION FOR DEPR+AMORT	16,676,775	16,645,247	17,600,414	15,104,218	13,990,946
3	NET TELEPHONE PLANT	47,158,631	41,885,525	34,931,147	34,249,213	32,387,285
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	71,407	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	-	-	-	8,000	8,000
8	TOTAL INVESTMENTS AND FUNDS	71,407	-	-	8,000	8,000
9	CASH AND WORKING FUNDS	209,590	273,892	3,994	1,475	37,395
10	SPECIAL CASH DEPOSITS	1,000	28,459	1,000	18,170	44,116
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	131,986	62,773	14,348	7,255	38,847
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	678,016	578,623	533,152	184,468	221,326
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	3,319,176	3,317,885	3,795,721	2,771,591	2,330,328
15	MATERIALS AND SUPPLIES*	1,295,421	1,085,806	1,043,941	978,730	834,160
16	PREPAYMENTS	535,798	499,680	616,827	471,971	444,433
17	OTHER CURRENT AND ACCRUED ASSETS	-	192,046	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	6,170,985	6,039,144	6,008,983	4,433,660	3,950,605
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	170,699	186,690	202,844	114,313	125,194
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	662,080	896,317	506,456	560,650	112,371
23	TOTAL DEFERRED DEBITS	832,779	1,083,007	709,300	674,963	237,565
24	TOTAL ASSETS AND OTHER DEBITS	54,233,802	$ 49,007,676	$ 41,649,430	$ 39,365,836	$ 36,583,455
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 2,280,411	$ 2,280,411	$ 2,280,411	$ 2,280,411	$ 2,280,411
26	PREFERRED CAPITAL STOCK	2,573,400	2,581,400	2,589,400	2,597,400	2,605,400
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	688,593	688,593	688,593	688,593	688,593
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	7,000,000	7,000,000	3,500,000	3,500,000	3,500,000
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	13,098,808	11,590,794	10,580,792	9,581,878	8,775,001
34	TOTAL PROPRIETARY CAPITAL	25,641,212	24,141,198	19,639,196	18,648,282	17,849,405
35	BONDS(LESS BONDS REACQUIRED)	13,005,000	13,137,500	13,878,000	12,448,500	12,448,500
36	ADVANCES FROM AFFILIATED COMPANIES	1,500,000	1,600,000	2,000,000	3,050,000	575,000
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	14,505,000	14,737,500	15,878,000	15,498,500	13,023,500
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	1,410,999	1,827,207	153,833	337,063	284,517
40	OTHER NOTES AND ACCOUNTS PAYABLE	4,762,331	2,017,895	554,163	818,620	1,508,656
41	CUSTOMERS'DEPOSITS	179,446	187,993	164,584	176,176	169,439
42	ADVANCE BILLING AND PAYMENTS	209,145	219,624	121,562	208,498	168,702
43	TAXES ACCRUED	302,324	478,544	936,432	187,013	566,609
44	OTHER CURRENT AND ACCRUED LIABILITIES	898,036	995,244	775,920	622,562	685,388
45	TOTAL CURRENT AND ACCRUED LIABILITIES	7,762,281	5,704,507	2,706,494	2,349,932	3,383,371
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	2,667,070	1,922,070	1,289,670	1,056,870	840,570
48	OTHER DEFERRED CREDITS	35,931	16,593	62	1,343	8,501
49	TOTAL DEFERRED CREDITS	2,703,001	1,938,663	1,289,732	1,058,213	849,071
50	OPERATING RESERVES	50,000	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	3,572,308	2,485,808	2,136,008	1,810,909	1,478,108
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 54,233,802	$ 49,007,676	$ 41,649,430	$ 39,365,836	$ 36,583,455
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.40	2.39	2.40	2.70	2.75
54	CURRENT ASSETS/CURRENT LIABILITIES	0.79	1.08	2.22	1.89	1.17
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	36.1	37.9	44.7	45.3	42.1
56	PREFERRED STOCK	6.4	6.6	7.2	7.6	8.4
57	COMMON STOCK+OTHER PAID-IN CAPITAL	24.8	25.6	18.2	18.9	20.9
58	RETAINED EARNINGS	32.6	29.8	29.7	28.0	28.4
	LONG-TERM DEBT:					
59	PERCENT OF GROSS TELEPHONE PLANT	22.7	25.1	30.2	31.4	28.0
60	PERCENT OF NET TELEPHONE PLANT	30.7	35.1	45.4	45.2	40.2
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	26.1	28.4	33.5	30.6	30.1

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

HIGHLAND TELEPHONE COMPANY

ITEM		1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS							
TELEPHONE OPERATING INCOME							
OPERATING REVENUES	$	25,480,452 $	23,219,676 $	21,210,224 $	17,738,174 $	16,421,621	1
OPERATION AND MAINTENANCE EXPENSE		10,518,894	9,461,803	8,976,775	7,963,681	7,002,416	2
EXTRAORDINARY RETIREMENTS		-	-	-	-	-	3
DEPRECIATION		4,471,906	4,205,817	3,480,559	2,381,508	2,268,184	4
AMORTIZATION		-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING		2,634,592	2,867,034	2,674,940	2,187,953	2,031,134	6
INCOME TAXES-OPERATING		2,026,399	2,248,701	1,883,973	1,111,401	1,363,284	7
OPERATING INCOME TAXES DEFERRED		1,148,600	576,400	567,900	463,400	298,100	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING		211,000-	226,600-	242,800-	130,600-	96,600-	9
TOTAL OPERATING EXPENSES		20,589,391	19,133,155	17,341,347	13,977,341	12,866,498	10
TOTAL TELEPHONE OPERATING INCOME		4,891,061	4,086,521	3,868,877	3,758,833	3,555,123	11
OTHER INCOME							
DIVIDEND INCOME		-	-	-	-	-	12
INTEREST INCOME		-	363	15	-	3,813	13
ALLOWANCE FOR CONSTRUCTION FUNDS		200,456	155,073	61,831	62,813	38,993	14
INCOME FROM SINKING AND OTHER FUNDS		-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY		-	-	-	-	-	16
MISCELLANEOUS INCOME		357,976	333,035	71,582	107,379	109,000	17
TOTAL OTHER INCOME		558,432	488,471	133,428	170,192	151,806	18
TOTAL INCOME		5,449,493	4,574,592	4,002,305	3,929,025	3,706,929	19
INCOME DEDUCTIONS							
TAXES OTHER THAN INC. TAXES-NONOPERATING		16,432	21,790	36,231	-	-	20
INCOME TAXES-NONOPERATING		39,749	60,285	52,357-	30,402-	24,291-	21
MISCELLANEOUS INCOME CHARGES		29,085	28,053	41,285	19,372	56,619	22
TOTAL INCOME DEDUCTIONS		85,266	110,128	25,159	11,030-	32,328	23
INCOME BEFORE INTEREST CHARGES		5,364,227	4,464,864	3,977,146	3,940,055	3,674,601	24
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		1,211,798	1,222,467	1,187,905	1,060,615	1,086,379	25
AMORT. OF DEBT DISCOUNT AND EXPENSE		15,994	16,154	14,911	10,882	10,394	26
AMORT. OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES		-	-	-	-	-	28
OTHER INTEREST EXPENSE		203,534	363,208	251,153	262,821	89,084	29
TOTAL INTEREST CHARGES		1,431,326	1,601,829	1,453,969	1,334,318	1,185,857	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS		3,932,901	2,863,035	2,523,177	2,605,737	2,488,744	31
EXTRAORDINARY/DELAYED ITEMS							
EXTRAORDINARY/DELAYED INCOME CREDITS		-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES		-	-		319-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS		-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT		-	-	-	319-	-	35
NET INCOME	$	3,932,901 $	2,863,035 $	2,523,177 $	2,605,418 $	2,488,744	36
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$	11,590,794 $	10,580,792 $	9,581,878 $	8,775,001 $	7,913,133	37
BALANCE TRANSFERRED FROM INCOME		3,932,901	2,863,035	2,523,177	2,605,418	2,488,744	38
MISCELLANEOUS CREDITS		-	-	-	-	-	39
MISCELLANEOUS DEBITS		-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS		-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK		164,747	165,508	166,156	166,780	167,414	42
-COMMON STOCK		2,260,140	1,687,525	1,358,107	1,631,761	1,459,462	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR		13,098,808	11,590,794	10,580,792	9,581,878	8,775,001	44
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$	13,098,808 $	11,590,794 $	10,580,792 $	9,581,878 $	8,775,001	46
SELECTED INCOME ACCOUNT RELATIONSHIPS							
PERCENT OF TELEPHONE OPERATING REVENUES:							
OPERATION AND MAINTENANCE EXPENSE		41.2	40.7	42.3	44.9	42.6	47
EXTRAORDINARY RETIREMENTS		-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION		17.5	18.1	16.4	13.4	13.8	49
TOTAL INCOME TAXES-OPERATING		11.6	11.2	10.4	8.1	9.5	50
OTHER TAXES-OPERATING		10.3	12.3	12.6	12.3	12.3	51
TOTAL OPERATING EXPENSES		80.8	82.4	81.7	78.8	78.3	52
OPERATING INCOME		19.1	17.5	18.2	21.1	21.6	53
DEPR. AND AMORT.% OF TELEPHONE PLANT		7.0	7.1	6.8	4.8	4.8	54
INTEREST EXPENSE:							
PERCENT OF OPERATING REVENUES		5.6	6.9	6.9	7.5	7.2	55
PRETAX INTEREST COVERAGE		5.7	4.4	4.1	3.9	4.3	56
NET INCOME-PERCENT OF OPERATING REVENUES		15.4	12.3	11.8	14.6	15.1	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:							
PERCENT OF OPERATING REVENUES		0.6	0.7	0.7	0.9	1.0	58
TIMES EARNED		23.9	17.3	15.2	15.6	14.9	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:							
PERCENT OF OPERATING REVENUES		8.8	7.2	6.4	9.2	8.6	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK		59.9	62.5	57.6	66.9	62.8	61
PERCENT OF AVERAGE COMMON EQUITY:							
EARNINGS AVAILABLE FOR COMMON STOCK		16.8	13.9	14.2	15.5	15.6	62
DIVIDEND APPROPRIATIONS, COMMON STOCK		10.1	8.7	8.2	10.4	9.8	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

HIGHLAND TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	- INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 3,932,901	$ 2,863,035	$ 2,523,177	$ 2,605,737	$ 2,488,744
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	4,487,898	4,221,971	3,495,470	2,392,388	2,278,578
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	1,831,500	982,200	557,899	549,101	314,900
4	INTEREST CAPITALIZED	200,456-	155,073-	61,831-	62,813-	38,993-
5	OTHER (NET):	303,575	133,679	62,194	-	3,570
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	10,355,418	8,045,812	6,576,909	5,484,413	5,046,799
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES		-	-	319	
9	TOTAL FUNDS FROM INTERNAL SOURCES	10,355,418	8,045,812	6,576,909	5,484,094	5,046,799
10	LESS DIVIDENDS: PREFERRED	164,747	165,508	166,156	166,780	167,414
11	COMMON	2,260,140	1,687,525	1,358,107	1,631,761	1,459,462
12	NET FUNDS FROM INTERNAL SOURCES	7,930,531	6,192,779	5,052,646	3,685,553	3,419,923
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	1,429,500	-	
14	PREFERRED STOCK	-	-	-	-	
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	3,100,000	-	-	-	679,500
17	OTHER (NET):	-	3,500,000	-	-	575,000
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	3,100,000	3,500,000	1,429,500	-	1,254,500
20	OTHER SOURCES (NET):	-	2,850,705	-	2,475,000	435,490
21						
22						
23	TOTAL FUNDS PROVIDED	$ 11,030,531	$ 12,543,484	$ 6,482,146	$ 6,160,553	$ 5,109,913
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 9,745,012	$ 11,160,195	$ 4,162,493	$ 4,243,434	$ 4,237,577
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	9,745,012	11,160,195	4,162,493	4,243,434	4,237,577
28	LESS INTEREST CAPITALIZED	200,456	155,073	61,831	62,813	38,993
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	9,544,556	11,005,122	4,100,662	4,180,621	4,198,584
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	132,500	740,500	-	-	827,000
31	PREFERRED STOCK	8,000	8,000	8,000	8,000	8,000
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	679,500	-
34	OTHER (NET):	107,524	389,862	-	482,976	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	248,024	1,138,362	8,000	1,170,476	835,000
37	OTHER USES (NET)	1,237,951	400,000	2,373,484	809,456	76,329
38						
39						
40	TOTAL FUNDS APPLIED	$ 11,030,531	$ 12,543,484	$ 6,482,146	$ 6,160,553	$ 5,109,913

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

HIGHLAND TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 7,875,647	$ 7,059,933	$ 6,191,467	$ 5,191,939	$ 4,644,944	1
ACCESS REVENUES	-					2
TOLL REVENUES	16,415,441	15,250,313	14,205,958	11,770,649	11,116,396	3
MISCELLANEOUS REVENUES	1,415,299	1,115,353	994,784	904,113	769,646	4
UNCOLLECTIBLE REVENUES-DR	225,935	205,923	181,985	130,527	109,365	5
TOTAL TELEPHONE OPERATING REVENUE	$ 25,480,452	$ 23,219,676	$ 21,210,224	$ 17,736,174	$ 16,421,621	6
TELEPHONE ACCESS LINES IN SERVICE	39,410	36,602	35,329	34,084	32,992	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 207.22	$ 196.30	$ 178.40	$ 154.81	$ 143.61	8
ACCESS REVENUE	-					9
TOLL REVENUE	431.92	424.03	409.32	350.96	343.68	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 4,019,427	$ 3,632,344	$ 3,443,215	$ 3,151,258	$ 2,644,338	11
DEPRECIATION + AMORTIZATION EXPENSES	4,471,906	4,205,817	3,480,559	2,381,506	2,268,184	12
TRAFFIC EXPENSES	1,160,973	1,702,671	1,637,681	1,448,297	1,307,202	13
COMMERCIAL EXPENSES	1,370,443	1,241,987	1,138,663	1,075,820	1,007,148	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	1,886,643	1,539,038	1,314,786	1,004,356	956,728	16
OTHER OPERATING EXPENSES	2,081,408	1,345,753	1,442,430	1,283,950	1,087,000	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 14,990,800	$ 13,667,620	$ 12,457,334	$ 10,345,187	$ 9,270,600	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 61,035,914	$ 54,527,628	$ 50,863,426	$ 48,232,108	$ 44,392,380	19
PLANT UNDER CONSTRUCTION	2,717,183	3,932,688	1,627,454	1,079,220	1,352,621	20
PROPERTY HELD FOR FUTURE USE	82,309	70,456	40,681	42,103	33,230	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-		22
PLANT ADJUSTMENTS	-	-	-	-		23
TOTAL TELEPHONE UTILITY PLANT	63,835,406	58,530,772	52,531,561	49,353,431	46,378,231	24
ACCUMULATED PROVISION FOR DEPR+AMORT	16,676,775	16,645,247	17,600,414	15,104,218	13,990,946	25
NET TELEPHONE PLANT	$ 47,158,631	$ 41,885,525	$ 34,931,147	$ 34,249,213	$ 32,387,285	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 54,527,628	$ 50,863,426	$ 48,232,108	$ 44,992,380	$ 43,246,841	27
ADDITIONS	11,244,684	9,141,964	3,987,256	4,870,970	3,364,608	28
RETIREMENTS	4,736,398	5,481,244	1,355,938	1,631,242	1,619,069	29
TRANSFERS AND ADJUSTMENTS	-	3,482	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 61,035,914	$ 54,527,628	$ 50,863,426	$ 48,232,108	$ 44,992,380	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

HIGHLAND TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 25,480,452	$ 23,219,676	$ 21,210,224	$ 17,738,174	$ 16,421,621
2	ACCESS LINES (AVERAGE*)	38,006	35,986	34,707	33,538	32,345
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 5,779,388	$ 6,433,100	$ 6,341,852	$ 5,556,150	$ 4,930,389
4	OTHER OPERATION AND MAINTENANCE EXPENSES	4,739,528	3,028,703	2,634,923	2,407,531	2,072,027
5	DEPRECIATION AND AMORTIZATION EXPENSES	4,471,906	4,205,817	3,480,559	2,381,506	2,268,184
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	2,963,999	2,598,501	2,209,073	1,444,201	1,564,764
8	OTHER TAXES - OPERATING	2,634,592	2,867,034	2,674,940	2,187,953	2,031,134
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1,383,417	1,564,811	1,439,817	1,319,291	1,176,850
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	158,340	158,673	163,016	163,721	155,386
11	EARNINGS AVAILABLE FOR COMMON EQUITY	3,349,304	2,363,237	2,268,044	2,275,821	2,212,887
12	TOTAL	$ 25,480,452	$ 23,219,676	$ 21,210,224	$ 17,738,174	$ 16,421,621
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	22.7	27.7	29.9	31.3	30.0
14	OTHER OPERATION AND MAINTENANCE EXPENSES	18.6	13.0	12.4	13.6	12.6
15	DEPRECIATION AND AMORTIZATION EXPENSES	17.6	18.1	16.4	13.4	13.8
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	11.6	11.2	10.4	8.1	9.5
18	OTHER TAXES - OPERATING	10.3	12.3	12.6	12.3	12.4
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.4	6.7	6.8	7.4	7.2
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.6	0.7	0.8	0.9	1.0
21	EARNINGS AVAILABLE FOR COMMON EQUITY	13.1	10.2	10.7	12.8	13.5
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 12.67	$ 14.91	$ 15.23	$ 13.81	$ 12.70
24	OTHER OPERATION AND MAINTENANCE EXPENSES	10.39	7.02	6.33	5.98	5.34
25	DEPRECIATION AND AMORTIZATION EXPENSES	9.81	9.75	8.36	5.92	5.84
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	6.50	6.02	5.30	3.59	4.03
28	OTHER TAXES - OPERATING	5.78	6.64	6.42	5.44	5.23
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.03	3.63	3.46	3.28	3.03
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.35	0.37	0.39	0.41	0.43
31	EARNINGS AVAILABLE FOR COMMON EQUITY	7.34	5.48	5.44	5.65	5.70
32	TOTAL	$ 55.87	$ 53.80	$ 50.93	$ 44.07	$ 42.31

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

MARGARETVILLE TELEPHONE CO., INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 3,979,730	$ 3,948,033	$ 3,812,929	$ 2,687,917	$ 2,506,954
2	ACCUMULATED PROVISION FOR DEPR+AMORT	801,459	919,465	1,121,738	972,502	823,643
3	NET TELEPHONE PLANT	3,178,271	3,028,568	2,691,191	1,715,415	1,683,311
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	61,300	56,300	53,300	-	-
8	TOTAL INVESTMENTS AND FUNDS	61,300	56,300	53,300	-	-
9	CASH AND WORKING FUNDS	168,546	88,367	71,519	47,530	41,701
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	157,045	61,585	42,250	31,148	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	150,697	200,300	38,768	14,644	16,830
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	130,212	121,822	112,101	108,860	105,084
15	MATERIALS AND SUPPLIES*	48,973	34,219	45,076	128,939	50,293
16	PREPAYMENTS	19,700	28,170	26,608	23,691	31,203
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	675,173	534,463	336,322	354,812	245,111
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	15,253	15,766	16,280	16,796	4,924
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	1,713	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	4,597	1,768	-	2,879	3,492
23	TOTAL DEFERRED DEBITS	19,850	17,534	17,993	19,675	8,416
24	TOTAL ASSETS AND OTHER DEBITS	3,934,594 $	3,636,865 $	3,098,806 $	2,089,902 $	1,936,838
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 130,000	$ 130,000	$ 130,000	$ 130,000	$ 130,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	1,097,159	933,945	799,493	671,763	551,600
34	TOTAL PROPRIETARY CAPITAL	1,227,159	1,063,945	929,493	801,763	681,600
35	BONDS(LESS BONDS REACQUIRED)	2,025,210	1,978,980	1,820,482	932,122	947,957
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	2,025,210	1,978,980	1,820,482	932,122	947,957
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	239,233	232,736	86,468	130,118	122,567
41	CUSTOMERS'DEPOSITS	725	4,875	3,975	3,675	4,100
42	ADVANCE BILLING AND PAYMENTS	15,540	13,272	12,162	10,266	9,450
43	TAXES ACCRUED	14,672-	7,043	15,988	23,809	6,013
44	OTHER CURRENT AND ACCRUED LIABILITIES	27,605	34,280	25,581	14,458	15,183
45	TOTAL CURRENT AND ACCRUED LIABILITIES	268,431	292,206	144,174	182,326	157,313
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	168,854	171,478	130,211	109,519	83,098
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	168,854	171,478	130,211	109,519	83,098
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	246,940	130,258	74,446	64,172	66,870
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,934,594	$ 3,636,865	$ 3,098,806	$ 2,089,902	$ 1,936,838
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.74	3.32	3.29	2.95	3.44
54	CURRENT ASSETS/CURRENT LIABILITIES	2.52	1.83	2.33	1.95	1.56
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	62.2	65.0	66.1	53.7	58.1
56	PREFERRED STOCK	-	-	-	-	-
57	COMMON STOCK+OTHER PAID-IN CAPITAL	3.9	4.2	4.7	7.4	7.9
58	RETAINED EARNINGS	33.7	30.8	29.0	38.7	33.8
	LONG-TERM DEBT:					
59	PERCENT OF GROSS TELEPHONE PLANT	50.8	50.1	47.7	34.6	37.8
60	PERCENT OF NET TELEPHONE PLANT	63.7	65.3	67.6	54.3	56.3
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	20.1	23.2	29.4	36.1	32.8

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

MARGARETVILLE TELEPHONE CO., INC

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,446,931	$ 1,170,154	$ 988,833	$ 879,018	$ 701,386	1
OPERATION AND MAINTENANCE EXPENSE	744,957	591,242	497,132	423,405	376,813	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	220,138	179,706	158,480	150,413	96,443	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	88,426	98,274	84,253	69,816	63,980	6
INCOME TAXES-OPERATING	3,876-	47,219	48,111	49,208	20,355	7
OPERATING INCOME TAXES DEFERRED	121,329	57,563	11,929	493-	14,083	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	4,648-	1,750-	1,655-	2,206-	1,980-	9
TOTAL OPERATING EXPENSES	1,166,326	972,254	798,250	690,143	569,694	10
TOTAL TELEPHONE OPERATING INCOME	280,605	197,900	190,583	188,875	131,692	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	17,522	11,621	6,415	3,081	-	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	19,352	7,376	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	383	16
MISCELLANEOUS INCOME	745	1,148	243	496	440	17
TOTAL OTHER INCOME	18,267	32,121	14,034	3,577	823	18
TOTAL INCOME	298,872	230,021	204,617	192,452	132,515	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	12	791	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	4,378	2,268	3,974	3,228	3,074	22
TOTAL INCOME DEDUCTIONS	4,378	2,268	3,974	3,240	3,865	23
INCOME BEFORE INTEREST CHARGES	294,494	227,753	200,643	189,212	128,650	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	142,757	121,173	54,927	46,893	47,664	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	514	514	516	170	169	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	858	5,287	9,662	12,622	8,047	29
TOTAL INTEREST CHARGES	144,129	126,974	65,105	59,685	55,880	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	150,365	100,779	135,538	129,527	72,770	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	20,649	41,473	-	-	16,596	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	658-	914-	2,150-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	20,649	41,473	658-	914-	14,446	35
NET INCOME	$ 171,014	$ 142,252	$ 134,880	$ 128,613	$ 87,216	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 933,945	$ 799,493	$ 671,763	$ 551,600	$ 468,284	37
BALANCE TRANSFERRED FROM INCOME	171,014	142,252	134,880	128,613	87,216	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	42
-COMMON STOCK	7,800	7,800	7,150	8,450	3,900	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	1,097,159	933,945	799,493	671,763	551,600	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 1,097,159	$ 933,945	$ 799,493	$ 671,763	$ 551,600	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	51.4	50.5	50.2	48.1	53.7	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	15.2	15.3	16.0	17.1	13.7	49
TOTAL INCOME TAXES-OPERATING	7.8	8.8	5.9	5.3	4.6	50
OTHER TAXES-OPERATING	6.1	8.3	8.5	7.9	9.1	51
TOTAL OPERATING EXPENSES	80.6	83.0	80.7	78.5	81.2	52
OPERATING INCOME	19.3	16.9	19.2	21.4	18.7	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.5	4.5	4.1	5.5	3.8	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	10.0	10.9	6.6	6.8	8.0	55
PRETAX INTEREST COVERAGE	2.8	2.6	4.0	3.9	2.9	56
NET INCOME-PERCENT OF OPERATING REVENUES	11.8	12.1	13.6	14.6	12.4	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	58
TIMES EARNED	-	-	-	-	-	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	0.5	0.6	0.7	0.9	0.5	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	4.5	5.4	5.3	6.5	4.4	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	14.9	14.2	15.5	17.3	13.6	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	0.6	0.7	0.8	1.1	0.6	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

MARGARETVILLE TELEPHONE CO., INC.

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 150,365	$ 100,779	$ 135,538	$ 129,527	$ 72,770
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	221,662	182,204	171,551	170,534	116,729
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	112,059	97,077	30,966	23,723	31,346
4	INTEREST CAPITALIZED	-	19,352-	-	-	-
5	OTHER (NET)	-	-	-		-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	484,086	380,708	338,055	323,784	220,845
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	20,649	41,473	658-	914-	14,446
9	TOTAL FUNDS FROM INTERNAL SOURCES	504,735	402,181	337,397	322,870	235,291
10	LESS DIVIDENDS PREFERRED	-	-	-	-	-
11	COMMON	7,800	7,800	7,150	8,450	3,900
12	NET FUNDS FROM INTERNAL SOURCES	496,935	394,381	330,247	314,420	231,391
	EXTERNAL SOURCES					
13	LONG TERM DEBT	71,000	182,000	905,000	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	20,000	-	75,303
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	71,000	182,000	925,000	-	75,303
20	OTHER SOURCES (NET)	25,865	23,854	5,364	26,820	40,535
21						
22						
23	TOTAL FUNDS PROVIDED	$ 593,800	$ 600,235	$ 1,260,611	$ 341,240	$ 347,229
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 390,356	$ 538,245	$ 1,147,948	$ 225,315	$ 199,110
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	390,356	538,245	1,147,948	225,315	199,110
28	LESS INTEREST CAPITALIZED	-	19,352	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	390,356	518,893	1,147,948	225,315	199,110
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	24,770	23,502	16,640	15,835	15,082
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	19,500	42,990		54,010	-
34	OTHER (NET)	-	-		-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	44,270	66,492	16,640	69,845	15,082
37	OTHER USES (NET)	159,174	14,850	96,023	46,080	133,037
38						
39						
40	TOTAL FUNDS APPLIED	$ 593,800	$ 600,235	$ 1,260,611	$ 341,240	$ 347,229

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

MARGARETVILLE TELEPHONE CO., INC

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	344,277 $	330,780 $	311,001 $	295,042 $	280,134	1
ACCESS REVENUES		598,845					2
TOLL REVENUES		363,179	821,033	655,974	561,245	404,623	3
MISCELLANEOUS REVENUES		147,230	24,841	25,858	25,731	22,629	4
UNCOLLECTIBLE REVENUES-DR		6,600	6,500	4,000	3,000	6,000	5
TOTAL TELEPHONE OPERATING REVENUE	$	1,446,931 $	1,170,154 $	988,833 $	879,018 $	701,386	6
TELEPHONE ACCESS LINES IN SERVICE		2,769	2,681	2,546	2,455	2,380	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 126.34	$ 126.57	$ 124.08	$ 122.04	$ 119.69	8
ACCESS REVENUE		219.76					9
TOLL REVENUE		133.28	314.15	262.34	232.16	172.38	10

*YEAR END AVERAGE

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	218,140 $	164,779 $	143,575 $	116,233 $	90,486	11
DEPRECIATION + AMORTIZATION EXPENSES		220,138	179,706	158,480	150,413	96,443	12
TRAFFIC EXPENSES		25,398	28,844	11,746	11,507	14,281	13
COMMERCIAL EXPENSES		30,462	27,601	28,811	31,054	37,298	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		228,237	223,377	179,913	162,377	116,818	16
OTHER OPERATING EXPENSES		242,020	146,741	133,087	102,234	117,880	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	985,095 $	770,948 $	655,612 $	573,818 $	473,256	18
TELEPHONE UTILITY PLANT							
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	3,979,730 $	3,600,461 $	2,946,032 $	2,603,955 $	2,434,972	19
PLANT UNDER CONSTRUCTION		-	347,572	866,897	83,962	56,843	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	15,139	21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-	-	22
PLANT ADJUSTMENTS		-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT		3,979,730	3,948,033	3,812,929	2,687,917	2,506,954	24
ACCUMULATED PROVISION FOR DEPR+AMORT		801,459	919,465	1,121,738	972,502	823,643	25
NET TELEPHONE PLANT	$	3,178,271 $	3,028,568 $	2,691,191 $	1,715,415 $	1,683,311	26
PLANT IN SERVICE BEGINNING OF YEAR	$	3,600,460 $	2,946,032 $	2,603,955 $	2,434,972 $	2,296,092	27
ADDITIONS		737,928	1,057,566	365,013	198,196	166,767	28
RETIREMENTS		358,658	403,138	22,936	29,213	28,987	29
TRANSFERS AND ADJUSTMENTS		-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$	3,979,730 $	3,600,460 $	2,946,032 $	2,603,955 $	2,434,972	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

MARGARETVILLE TELEPHONE CO., INC.

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,446,931	$ 1,170,154	$ 988,833	$ 879,018	$ 701,386
2	ACCESS LINES (AVERAGE*)	2,725	2,614	2,501	2,418	2,341
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 330,418	$ 255,352	$ 212,516	$ 196,364	$ 170,154
4	OTHER OPERATION AND MAINTENANCE EXPENSES	414,539	335,890	284,616	227,041	206,659
5	DEPRECIATION AND AMORTIZATION EXPENSES	220,128	179,706	158,480	160,413	98,443
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	112,806	103,032	58,386	46,509	32,458
8	OTHER TAXES - OPERATING	88,428	98,274	64,253	69,616	63,980
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	144,129	114,767	65,105	59,685	55,880
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	136,476	83,133	125,478	129,190	75,812
12	TOTAL	$ 1,446,931	$ 1,170,154	$ 988,833	$ 879,018	$ 701,386
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	22.8	21.8	21.5	22.3	24.3
14	OTHER OPERATION AND MAINTENANCE EXPENSES	28.6	28.7	28.8	25.8	29.5
15	DEPRECIATION AND AMORTIZATION EXPENSES	15.2	15.4	16.0	17.1	13.8
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	7.8	8.8	5.9	5.3	4.6
18	OTHER TAXES - OPERATING	6.1	8.4	6.5	7.9	9.1
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	10.0	9.8	6.6	6.8	8.0
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	9.4	7.1	12.7	14.7	10.8
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 10.10	$ 8.14	$ 7.08	$ 6.77	$ 6.06
24	OTHER OPERATION AND MAINTENANCE EXPENSES	12.68	10.71	9.49	7.83	7.36
25	DEPRECIATION AND AMORTIZATION EXPENSES	6.73	5.73	5.28	5.18	3.43
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	3.45	3.29	1.95	1.60	1.16
28	OTHER TAXES - OPERATING	2.70	3.13	2.81	2.41	2.28
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.41	3.66	2.17	2.06	1.99
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	4.17	2.65	4.18	4.45	2.70
32	TOTAL	$ 44.25	$ 37.31	$ 32.95	$ 30.30	$ 24.97

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

MIDDLEBURGH TELEPHONE COMPANY, THE

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 7,395,674	$ 7,238,234	$ 6,928,067	$ 6,598,019	$ 6,230,634
2	ACCUMULATED PROVISION FOR DEPR-AMORT	2,216,329	2,180,180	1,983,694	1,779,956	1,533,833
3	NET TELEPHONE PLANT	5,179,345	5,058,054	4,944,373	4,818,063	4,696,801
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	42,093	20,862	3,907	-	-
7	OTHER INVESTMENTS AND FUNDS	30,000	25,000	22,000	15,000	17,288
8	TOTAL INVESTMENTS AND FUNDS	72,093	45,862	25,907	15,000	17,288
9	CASH AND WORKING FUNDS	349,824	193,524	151,139	61,598	144,169
10	SPECIAL CASH DEPOSITS	-	-	-	-	941
11	TEMPORARY CASH INVESTMENTS	255,693	65,139	21,371	10,085	14,047
12	NOTES-ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	129,371	197,797	100,770	14,696	21,889
14	DUE FROM CUSTOMERS-AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	181,728	179,570	158,756	144,341	144,366
15	MATERIALS AND SUPPLIES*	277,780	289,092	230,151	191,315	53,972
16	PREPAYMENTS	97,213	57,652	53,613	50,980	40,793
17	OTHER CURRENT AND ACCRUED ASSETS	2,916	2,810	2,699	2,592	2,485
18	TOTAL CURRENT AND ACCRUED ASSETS	1,294,525	985,584	718,499	475,607	422,862
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	10,051	10,404	3,657	3,797	3,938
20	EXTRAORDINARY MAINTENANCE-RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	714	6,338	20,635	17,327	20,471
23	TOTAL DEFERRED DEBITS	10,765	16,742	24,292	21,124	24,409
24	TOTAL ASSETS AND OTHER DEBITS	6,556,728	$ 6,084,242	$ 5,713,071	$ 5,329,794	$ 5,161,360
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000
26	PREFERRED CAPITAL STOCK	93,100	105,000	116,100	127,000	144,100
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	1,923,388	1,536,330	1,325,989	1,061,729	819,968
34	TOTAL PROPRIETARY CAPITAL	2,116,488	1,741,330	1,542,089	1,288,729	1,064,068
35	BONDS(LESS BONDS REACQUIRED)	3,528,704	3,598,860	3,665,356	3,726,901	3,784,256
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	3,528,704	3,598,860	3,665,356	3,726,901	3,784,256
39	NOTES-ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	57,638	172,235	4,392	13,592	2,000
41	CUSTOMERS' DEPOSITS	-	200	4,485	4,345	9,965
42	ADVANCE BILLING AND PAYMENTS	-	-	105	-	-
43	TAXES ACCRUED	100,945	452	22,782	4,448-	19,428
44	OTHER CURRENT AND ACCRUED LIABILITIES	41,396	42,518	95,348	54,307	66,879
45	TOTAL CURRENT AND ACCRUED LIABILITIES	199,979	215,405	127,112	67,796	98,272
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	300,668	211,572	139,074	70,382	44,825
48	OTHER DEFERRED CREDITS	8,991	2,798	391	-	-
49	TOTAL DEFERRED CREDITS	309,659	214,370	139,465	70,382	44,825
50	OPERATING RESERVES	-	-	-	-	24,599
51	ACCUMULATED DEFERRED INCOME TAXES	401,898	314,277	239,049	175,986	145,340
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 6,556,728	$ 6,084,242	$ 5,713,071	$ 5,329,794	$ 5,161,360
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.76	3.12	3.30	3.68	3.80
54	CURRENT ASSETS/CURRENT LIABILITIES	6.47	4.48	5.65	7.02	4.30
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	62.5	67.3	70.3	74.3	78.0
56	PREFERRED STOCK	1.6	1.9	2.2	2.5	2.9
57	COMMON STOCK-OTHER PAID-IN CAPITAL	1.7	1.8	1.9	1.9	2.0
58	RETAINED EARNINGS	34.0	28.7	25.4	21.1	16.9
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	47.7	49.7	52.9	56.4	60.7
60	PERCENT OF NET TELEPHONE PLANT	68.1	71.1	74.1	77.3	80.5
61	ACCUMULATED PROVISION FOR DEPR-AMORT PERCENT OF TELEPHONE PLANT	29.9	30.1	28.6	26.9	24.6

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

MIDDLEBURGH TELEPHONE COMPANY, THE

ITEM	1985	1984	1983	1982	1981	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES $	2,651,229 $	2,288,793 $	2,046,481 $	1,742,113 $	1,603,727	1
OPERATION AND MAINTENANCE EXPENSE	1,262,036	1,198,761	961,556	765,777	670,314	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	270,667	261,105	254,997	259,333	247,727	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	232,067	244,805	214,196	196,902	173,717	6
INCOME TAXES-OPERATING	210,004	79,755	76,375	44,292	58,518	7
OPERATING INCOME TAXES DEFERRED	101,299	82,970	79,437	45,047	38,436	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	13,678-	7,742-	16,374-	14,401-	11,940-	9
TOTAL OPERATING EXPENSES	2,062,385	1,859,654	1,570,187	1,296,950	1,176,772	10
TOTAL TELEPHONE OPERATING INCOME	588,844	407,139	476,294	445,163	426,955	11
OTHER INCOME						
DIVIDEND INCOME	595	580	490	-	2,288	12
INTEREST INCOME	22,109	14,840	4,540	5,835	975	13
ALLOWANCE FOR CONSTRUCTION FUNDS	5,209	10,084	4,928	5,408	2,118	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	19,346-	9,452-	1,319	14,047	16,120	17
TOTAL OTHER INCOME	8,567	16,012	11,277	25,290	21,499	18
TOTAL INCOME	597,411	423,151	487,571	470,453	448,454	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	2,921	-	-	21
MISCELLANEOUS INCOME CHARGES	4,628	1,689	4,382	3,729	2,839	22
TOTAL INCOME DEDUCTIONS	4,628	1,689	7,303	3,729	2,839	23
INCOME BEFORE INTEREST CHARGES	592,783	421,462	480,268	466,724	445,615	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	187,268	189,632	194,135	196,879	196,795	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	353	353	140	141	140	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	14	58	840	900	1,140	29
TOTAL INTEREST CHARGES	187,635	190,043	195,115	197,920	198,075	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	405,148	231,419	285,153	268,804	247,540	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	18,994	8,775	5,474	-		32
EXTRAORDINARY/DELAYED INCOME CHARGES	96-	-	307-	1,614-	262-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	8,737	4,037	2,696	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	10,161	4,738	2,471	1,614-	262-	35
NET INCOME $	415,309 $	236,157 $	287,624 $	267,190 $	247,278	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR $	1,536,330 $	1,325,989 $	1,061,729 $	819,968 $	592,045	37
BALANCE TRANSFERRED FROM INCOME	415,309	236,157	287,624	267,190	247,278	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	2,288	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	5,251	5,816	6,364	7,141	7,355	42
-COMMON STOCK	23,000	20,000	17,000	16,000	12,000	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	1,923,388	1,536,330	1,325,989	1,061,729	819,968	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR $	1,923,388 $	1,536,330 $	1,325,989 $	1,061,729 $	819,968	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	47.6	52.8	46.9	43.9	41.7	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	10.2	11.5	12.4	14.8	15.4	49
TOTAL INCOME TAXES-OPERATING	11.2	6.8	6.8	4.3	5.3	50
OTHER TAXES-OPERATING	8.7	10.7	10.4	11.3	10.8	51
TOTAL OPERATING EXPENSES	77.7	82.0	76.7	74.4	73.3	52
OPERATING INCOME	22.2	17.9	23.2	25.5	26.6	53
DEPR. AND AMORT % OF TELEPHONE PLANT	3.6	3.6	3.6	3.9	3.9	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	7.1	8.4	9.5	11.4	12.4	55
PRETAX INTEREST COVERAGE	4.7	3.0	3.2	2.7	2.6	56
NET INCOME-PERCENT OF OPERATING REVENUES	15.6	10.4	14.0	15.3	15.4	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	0.1	0.2	0.3	0.4	0.4	58
TIMES EARNED	79.1	40.6	45.2	37.4	33.6	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	0.8	0.8	0.8	0.9	0.7	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	5.6	8.6	6.0	6.1	5.0	61
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	22.4	15.0	21.7	24.9	29.7	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	1.2	1.3	1.3	1.5	1.4	63

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MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

MIDDLEBURGH TELEPHONE COMPANY, THE

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 405,148	$ 231,419	$ 285,153	$ 268,804	$ 247,540
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	271,010	261,459	301,360	259,474	247,867
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	176,717	147,726	131,755	56,203	55,867
4	INTEREST CAPITALIZED	5,209-	10,064-	4,928-	5,408-	2,116-
5	OTHER (NET)	6,209	2,406	-	-	
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	853,875	632,946	713,340	579,073	549,158
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	10,161	4,738	2,471	1,614-	262-
9	TOTAL FUNDS FROM INTERNAL SOURCES	864,036	637,684	715,811	577,459	548,896
10	LESS DIVIDENDS PREFERRED	5,251	5,816	6,364	7,141	7,355
11	COMMON	23,000	20,000	17,000	16,000	12,000
12	NET FUNDS FROM INTERNAL SOURCES	835,785	611,868	692,447	554,318	529,541
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	85,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	85,000
20	OTHER SOURCES (NET)	169,838	112,248	34,301	173,814	92,451
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,005,623	$ 724,116	$ 726,748	$ 728,132	$ 706,992
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 535,568	$ 461,690	$ 443,837	$ 566,230	$ 371,921
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	535,568	461,690	443,837	566,230	371,921
28	LESS INTEREST CAPITALIZED	5,209	10,064	4,928	5,408	2,116
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	530,359	451,626	438,909	560,822	369,805
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	70,156	66,496	61,545	57,355	54,649
31	PREFERRED STOCK	11,900	11,100	10,900	17,100	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	82,056	77,596	72,445	74,455	54,649
37	OTHER USES (NET)	393,208	194,894	215,394	92,855	282,538
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,005,623	$ 724,116	$ 726,748	$ 728,132	$ 706,992

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

MIDDLEBURGH TELEPHONE COMPANY, THE

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	728,144 $	724,924 $	692,842 $	686,973 $	674,887	1
ACCESS REVENUES		880,705					2
TOLL REVENUES		1,120,843	1,506,928	1,314,006	1,025,013	910,241	3
MISCELLANEOUS REVENUES		143,737	46,641	46,533	38,045	30,599	4
UNCOLLECTIBLE REVENUES-DR		22,200	11,700	6,900	7,918	12,000	5
TOTAL TELEPHONE OPERATING REVENUE	$	2,851,229 $	2,266,793 $	2,046,481 $	1,742,113 $	1,603,727	6
TELEPHONE ACCESS LINES IN SERVICE		4,328	4,260	4,147	4,071	3,971	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 169 57	$ 172 46	$ 168 62	$ 170 85	$ 172 34	8
ACCESS REVENUE		158 52					9
TOLL REVENUE		261 03	358 49	319 79	254 91	232 44	10

*YEAR END AVERAGE

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	541,343 $	486,525 $	421,821 $	312,409 $	246,536	11
DEPRECIATION + AMORTIZATION EXPENSES		270,657	261,105	254,997	259,333	247,727	12
TRAFFIC EXPENSES		66,081	95,397	30,761	21,188	20,853	13
COMMERCIAL EXPENSES		79,001	136,229	91,452	67,639	73,942	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		276,938	246,268	247,364	191,156	169,288	16
OTHER OPERATING EXPENSES		298,693	234,342	170,158	173,385	159,695	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	1,532,693 $	1,459,866 $	1,216,553 $	1,025,110 $	918,041	18
TELEPHONE UTILITY PLANT							
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	7,319,897 $	7,132,662 $	6,717,609 $	6,510,456 $	6,159,510	19
PLANT UNDER CONSTRUCTION		75,827	103,622	210,508	87,6[illegible]	71,174	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-	-	22
PLANT ADJUSTMENTS		50-	50-	50-	50-	50-	23
TOTAL TELEPHONE UTILITY PLANT		7,395,674	7,236,234	6,928,067	6,5[illegible]8,[illegible]12	6,230,634	24
ACCUMULATED PROVISION FOR DEPR+AMORT		2,216,329	2,180,180	1,983,694	1,[illegible]79,95[illegible]	1,533,833	25
NET TELEPHONE PLANT	$	5,179,345 $	5,056,054 $	4,944,373 $	4,818,063	4,696,801	26
PLANT IN SERVICE BEGINNING OF YEAR	$	7,132,664 $	6,717,609 $	6,510,456 $	6,159,510 $	5,953,003	27
ADDITIONS		563,362	568,576	320,942	549,791	300,747	28
RETIREMENTS		376,129	153,523	113,789	198,845	94,240	29
TRANSFERS AND ADJUSTMENTS		-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$	7,319,897 $	7,132,662 $	6,717,609 $	6,510,456 $	6,159,510	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

MIDDLEBURGH TELEPHONE COMPANY, THE

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 2,651,229	$ 2,288,793	$ 2,046,481	$ 1,742,113	$ 1,603,727
2	ACCESS LINES (AVERAGE*)	4,294	4,204	4,109	4,021	3,916
	DOLLAR AMOUNTS					
3	WAGES AND BENEFITS	$ 811,881	$ 706,633	$ 585,881	$ 447,136	$ 407,589
4	OTHER OPERATION AND MAINTENANCE EXPENSES	450,175	492,128	375,675	318,641	262,725
5	DEPRECIATION AND AMORTIZATION EXPENSES	270,657	281,105	254,997	259,333	247,727
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	297,625	154,983	139,438	74,938	85,014
8	OTHER TAXES - OPERATING	232,087	244,805	214,198	196,902	173,717
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	185,979	185,353	193,104	195,524	197,097
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	5,204	5,675	6,300	7,054	7,319
11	EARNINGS AVAILABLE FOR COMMON EQUITY	397,681	218,111	276,890	242,585	222,539
12	TOTAL	$ 2,651,229	$ 2,288,793	$ 2,046,481	$ 1,742,113	$ 1,603,727
	PERCENT OF REVENUES					
13	WAGES AND BENEFITS	30.6	31.2	28.6	25.7	25.4
14	OTHER OPERATION AND MAINTENANCE EXPENSES	17.0	21.7	18.4	18.3	16.4
15	DEPRECIATION AND AMORTIZATION EXPENSES	10.2	11.5	12.5	14.9	15.4
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	11.2	6.8	6.8	4.3	5.3
18	OTHER TAXES - OPERATING	8.8	10.8	10.5	11.3	10.8
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.0	8.2	9.4	11.2	12.3
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.2	0.3	0.3	0.4	0.5
21	EARNINGS AVAILABLE FOR COMMON EQUITY	15.0	9.5	13.5	13.9	13.9
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	DOLLARS PER AVERAGE ACCESS LINE PER MONTH					
23	WAGES AND BENEFITS	$ 15.76	$ 14.01	$ 11.88	$ 9.27	$ 8.67
24	OTHER OPERATION AND MAINTENANCE EXPENSES	8.74	9.76	7.62	6.60	5.59
25	DEPRECIATION AND AMORTIZATION EXPENSES	5.25	5.18	5.17	5.37	5.27
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	5.78	3.07	2.83	1.55	1.81
28	OTHER TAXES - OPERATING	4.50	4.85	4.34	4.08	3.70
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.61	3.67	3.92	4.05	4.19
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.10	0.11	0.13	0.15	0.16
31	EARNINGS AVAILABLE FOR COMMON EQUITY	7.72	4.28	5.62	5.03	4.74
32	TOTAL	$ 51.45	$ 44.94	$ 41.50	$ 36.10	$ 34.13

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

NEWPORT TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 4,317,171	$ 4,068,625	$ 3,976,804	$ 3,860,678	$ 3,764,544
2	ACCUMULATED PROVISION FOR DEPR+AMORT	1,704,495	1,462,086	1,265,861	1,075,169	910,057
3	NET TELEPHONE PLANT	2,612,676	2,606,539	2,710,943	2,785,509	2,854,487
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	40,722	35,207	26,944	12,440	12,440
7	OTHER INVESTMENTS AND FUNDS	74,000	69,000	69,000	69,000	71,288
8	TOTAL INVESTMENTS AND FUNDS	114,722	104,207	95,944	81,440	83,728
9	CASH AND WORKING FUNDS	2,906	6,795	6,219	5,276	1,517
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	55,469	19,808	2,340	34,383	62,421
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	149,912	52,683	72,252	28,728	28,219
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	114,777	103,748	97,929	79,076	84,256
15	MATERIALS AND SUPPLIES*	134,580	93,251	79,295	69,549	38,894
16	PREPAYMENTS	37,185	34,111	34,010	34,467	27,872
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	494,829	310,394	292,045	249,479	239,179
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	17,705	18,492	19,279	20,066	20,853
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	1,932	3,223	1,751	3,725	8,348
23	TOTAL DEFERRED DEBITS	19,637	21,715	21,030	23,791	29,201
24	TOTAL ASSETS AND OTHER DEBITS	3,241,864	$ 3,042,855	$ 3,119,962	$ 3,140,219	$ 3,206,595
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 148,150	$ 148,150	$ 166,600	$ 185,000	$ 185,000
26	PREFERRED CAPITAL STOCK	110,000	110,000	110,000	110,000	110,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	507,112	429,112	389,239	442,912	452,180
34	TOTAL PROPRIETARY CAPITAL	765,262	687,262	665,839	737,912	747,180
35	BONDS(LESS BONDS REACQUIRED)	1,770,443	1,851,909	1,935,811	2,012,268	2,079,020
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	1,770,443	1,851,909	1,935,811	2,012,268	2,079,020
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	298,436	155,585	213,115	114,919	96,906
41	CUSTOMERS'DEPOSITS	2,375	3,000	3,115	2,115	2,640
42	ADVANCE BILLING AND PAYMENTS	11,926	10,960	7,937	7,169	6,291
43	TAXES ACCRUED	4,867	659	428	1,699-	900
44	OTHER CURRENT AND ACCRUED LIABILITIES	24,808	14,889	14,160	12,102	12,666
45	TOTAL CURRENT AND ACCRUED LIABILITIES	342,412	185,093	238,755	134,606	119,403
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	50,842	37,709	39,542	42,248	60,333
48	OTHER DEFERRED CREDITS	14,465	9,510	5,936	4,054	3,718
49	TOTAL DEFERRED CREDITS	65,307	47,219	45,478	46,302	64,051
50	OPERATING RESERVES	129,948	90,471	53,577	19,096	19,096
51	ACCUMULATED DEFERRED INCOME TAXES	168,492	180,301	180,502	190,035	177,845
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,241,864	$ 3,042,855	$ 3,119,962	$ 3,140,219	$ 3,206,595
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.84	2.99	3.54	3.64	3.46
54	CURRENT ASSETS/CURRENT LIABILITIES	1.45	1.68	1.22	1.85	2.00
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	69.8	72.9	74.4	73.1	73.5
56	PREFERRED STOCK	4.3	4.3	4.2	3.9	3.8
57	COMMON STOCK+OTHER PAID-IN CAPITAL	5.8	5.8	6.4	6.7	6.5
58	RETAINED EARNINGS	19.9	16.8	14.9	16.1	15.9
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	41.0	45.5	48.6	52.1	55.2
60	PERCENT OF NET TELEPHONE PLANT	67.7	71.0	71.4	72.2	72.8
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	39.4	35.9	31.8	27.8	24.1

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

NEWPORT TELEPHONE COMPANY, INC

ITEM		1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS							
TELEPHONE OPERATING INCOME							
OPERATING REVENUES	$	1,477,034 $	1,348,454 $	1,108,309 $	1,048,872 $	1,050,124	1
OPERATION AND MAINTENANCE EXPENSE		807,605	797,064	673,464	603,547	561,341	2
EXTRAORDINARY RETIREMENTS		-	-	-	-	-	3
DEPRECIATION		248,941	192,724	188,411	182,321	168,426	4
AMORTIZATION		-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING		178,836	180,316	164,516	146,472	129,320	6
INCOME TAXES-OPERATING		18,093	1,794	2,706-	19,888-	414-	7
OPERATING INCOME TAXES DEFERRED		9,046	8,771	7,528	31,977	48,499	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING		16,336-	8,372-	17,059-	19,787-	18,868-	9
TOTAL OPERATING EXPENSES		1,246,186	1,172,297	1,014,152	924,642	888,306	10
TOTAL TELEPHONE OPERATING INCOME		230,848	174,157	92,157	122,030	161,818	11
OTHER INCOME							
DIVIDEND INCOME		-	-	-	-	2,288	12
INTEREST INCOME		1,738	468	1,358	3,983	14,480	13
ALLOWANCE FOR CONSTRUCTION FUNDS		-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS		-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY		1,837	377	222	542-	130	16
MISCELLANEOUS INCOME		54,439-	28,246-	32,529-	5,325-	3,319	17
TOTAL OTHER INCOME		50,866-	25,401-	30,949-	1,904-	20,217	18
TOTAL INCOME		179,982	148,756	61,208	120,126	182,035	19
INCOME DEDUCTIONS							
TAXES OTHER THAN INC. TAXES-NONOPERATING		535	812	2,656	605	567	20
INCOME TAXES-NONOPERATING		-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES		1,264	706	421	319	231	22
TOTAL INCOME DEDUCTIONS		1,799	1,518	3,077	924	798	23
INCOME BEFORE INTEREST CHARGES		178,183	147,238	58,131	119,202	181,237	24
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		61,773	68,308	75,757	85,467	68,662	25
AMORT. OF DEBT DISCOUNT AND EXPENSE		787	787	787	787	787	26
AMORT. OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES		-	-	-	-	-	28
OTHER INTEREST EXPENSE		17,493	18,353	14,236	13,728	18,977	29
TOTAL INTEREST CHARGES		80,053	87,446	90,780	99,982	86,426	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS		98,130	59,792	32,649-	19,220	94,811	31
EXTRAORDINARY/DELAYED ITEMS							
EXTRAORDINARY/DELAYED INCOME CREDITS		-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES		-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS		-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT		-	-	-	-	-	35
NET INCOME	$	98,130 $	59,792 $	32,649-$	19,220 $	94,811	36
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$	429,112 $	389,239 $	442,912 $	452,180 $	383,569	37
BALANCE TRANSFERRED FROM INCOME		98,130	59,792	32,649-	19,220	94,811	38
MISCELLANEOUS CREDITS		-	-	-	-	-	39
MISCELLANEOUS DEBITS		-	-	-	2,288	-	40
APPROPRIATIONS OF RETAINED EARNINGS		-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK		6,600	6,600	6,600	6,600	6,600	42
-COMMON STOCK		13,530	13,319	14,424	19,600	19,600	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR		507,112	429,112	389,239	442,912	452,180	44
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$	507,112 $	429,112 $	389,239 $	442,912 $	452,180	46
SELECTED INCOME ACCOUNT RELATIONSHIPS							
PERCENT OF TELEPHONE OPERATING REVENUES:							
OPERATION AND MAINTENANCE EXPENSE		54.6	59.1	60.8	57.6	53.4	47
EXTRAORDINARY RETIREMENTS		-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION		16.8	14.3	17.0	17.4	16.0	49
TOTAL INCOME TAXES-OPERATING		0.7	0.2	1.0-	0.8-	2.8	50
OTHER TAXES-OPERATING		12.1	13.3	14.8	13.9	12.3	51
TOTAL OPERATING EXPENSES		84.3	87.0	91.6	88.3	84.5	52
OPERATING INCOME		15.6	12.9	8.3	11.6	15.4	53
DEPR. AND AMORT % OF TELEPHONE PLANT		5.7	4.7	4.7	4.7	4.4	54
INTEREST EXPENSE:							
PERCENT OF OPERATING REVENUES		5.4	6.5	8.2	9.6	8.2	55
PRETAX INTEREST COVERAGE		2.3	1.7	0.5	1.1	2.4	56
NET INCOME-PERCENT OF OPERATING REVENUES		6.6	4.4	-	1.8	9.0	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK							
PERCENT OF OPERATING REVENUES		0.4	0.4	0.5	0.6	0.6	58
TIMES EARNED		14.9	9.1	-	2.9	14.4	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:							
PERCENT OF OPERATING REVENUES		0.9	0.9	1.3	1.8	1.8	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK		14.7	25.0	-	155.3	22.2	61
PERCENT OF AVERAGE COMMON EQUITY:							
EARNINGS AVAILABLE FOR COMMON STOCK		14.8	9.3	-	1.9	14.6	62
DIVIDEND APPROPRIATIONS, COMMON STOCK		2.1	2.3	2.4	3.0	3.2	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NEWPORT TELEPHONE COMPANY, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 98,130	$ 59,792	$ 32,649-	$ 19,220	$ 94,611
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	249,728	193,511	189,198	183,444	184,206
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	724	1,434-	12,230-	5,895-	27,879
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	8,869	1,754	1,848	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	357,451	253,623	146,158	196,769	306,696
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	357,451	253,623	146,158	196,769	306,696
10	LESS DIVIDENDS: PREFERRED	6,600	6,600	6,600	6,600	6,600
11	COMMON	13,530	13,319	14,424	19,600	19,600
12	NET FUNDS FROM INTERNAL SOURCES	337,321	233,704	125,134	170,569	280,496
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	108,236
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	97,120	-	23,330	24,031	639
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	97,120	-	23,330	24,031	108,875
20	OTHER SOURCES (NET)	66,322	58,096	95,860	61,490	64,278
21						
22						
23	TOTAL FUNDS PROVIDED	$ 500,763	$ 291,800	$ 244,324	$ 256,090	$ 453,649
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 285,837	$ 115,965	$ 149,468	$ 172,545	$ 375,666
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	5,515	-	-	-	-
27	TOTAL GROSS ADDITIONS	291,352	115,965	149,468	172,545	375,666
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	291,352	115,965	149,468	172,545	375,666
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	81,466	83,902	76,456	66,752	54,048
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	18,450	18,400	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	9,978	-	-	-
34	OTHER (NET):	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	81,466	112,330	94,856	66,752	54,048
37	OTHER USES (NET)	127,945	63,505	-	16,793	23,935
38						
39						
40	TOTAL FUNDS APPLIED	$ 500,763	$ 291,800	$ 244,324	$ 256,090	$ 453,649

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

NEWPORT TELEPHONE COMPANY, INC

TELEPHONE OPERATING REVENUES

ITEM	1985	1984	1983	1982	1981	LINE NO
OPERATING REVENUES						
LOCAL REVENUES	$ 522,517	$ 473,635	$ 371,732	$ 341,521	$ 323,863	1
ACCESS REVENUES	197,097					2
TOLL REVENUES	686,844	848,954	713,419	686,158	704,930	3
MISCELLANEOUS REVENUES	79,463	30,921	24,587	25,205	24,119	4
UNCOLLECTIBLE REVENUES-DR	8,888	7,056	3,429	6,212	2,787	5
TOTAL TELEPHONE OPERATING REVENUE	$ 1,477,033	$ 1,346,454	$ 1,106,309	$ 1,046,672	$ 1,050,125	6
TELEPHONE ACCESS LINES IN SERVICE	2,525	2,454	2,375	2,238	2,231	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 209.89	$ 196.16	$ 161.17	$ 152.84	$ 145.82	8
ACCESS REVENUE	79.17					9
TOLL REVENUE	275.90	351.61	309.31	307.07	317.39	10

*YEAR END AVERAGE

TELEPHONE OPERATION AND MAINTENANCE EXPENSES

ITEM	1985	1984	1983	1982	1981	LINE NO
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 247,972	$ 262,765	$ 247,671	$ 236,936	$ 201,789	11
DEPRECIATION + AMORTIZATION EXPENSES	248,941	192,724	188,411	182,321	168,428	12
TRAFFIC EXPENSES	35,851	39,375	9,168	8,822	8,744	13
COMMERCIAL EXPENSES	69,692	61,952	51,468	45,112	59,819	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	308,680	285,306	225,799	219,589	189,511	16
OTHER OPERATING EXPENSES	147,410	147,666	139,369	93,088	101,479	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,058,546	$ 989,788	$ 861,875	$ 785,868	$ 729,769	18

TELEPHONE UTILITY PLANT

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 4,242,513	$ 4,016,410	$ 3,924,131	$ 3,858,667	$ 3,759,425	19
PLANT UNDER CONSTRUCTION	74,658	52,215	52,673	2,011	5,119	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	4,317,171	4,068,625	3,976,804	3,860,678	3,764,544	24
ACCUMULATED PROVISION FOR DEPR+AMORT	1,704,495	1,462,086	1,265,861	1,075,169	910,057	25
NET TELEPHONE PLANT	$ 2,612,676	$ 2,606,539	$ 2,710,943	$ 2,785,509	$ 2,854,487	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 4,016,410	$ 3,924,131	$ 3,858,667	$ 3,759,425	$ 3,444,844	27
ADDITIONS	263,394	108,160	84,302	177,942	425,758	28
RETIREMENTS	37,291	15,881	18,838	78,700	111,177	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 4,242,513	$ 4,016,410	$ 3,924,131	$ 3,858,667	$ 3,759,425	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

NEWPORT TELEPHONE COMPANY, INC.

LINE NO.	ITEM		1985		1984		1983		1982		1981
1	REVENUES	$	1,477,034	$	1,348,454	$	1,108,309	$	1,046,672	$	1,050,124
2	ACCESS LINES (AVERAGE*)		2,490		2,415		2,307		2,236		2,221
							DOLLAR AMOUNTS				
3	WAGES AND BENEFITS	$	421,896	$	395,499	$	366,363	$	314,035	$	267,063
4	OTHER OPERATION AND MAINTENANCE EXPENSES		385,709		401,565		307,101		289,512		294,278
5	DEPRECIATION AND AMORTIZATION EXPENSES		248,941		192,724		188,411		182,321		168,428
6	EXTRAORDINARY RETIREMENTS		-		-		-		-		-
7	INCOME TAXES - OPERATING		10,804		2,193		12,239-		7,698-		29,217
8	OTHER TAXES - OPERATING		178,838		180,316		164,516		146,472		129,320
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		80,053		87,446		90,780		99,982		86,426
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		6,600		6,600		6,600		6,600		6,600
11	EARNINGS AVAILABLE FOR COMMON EQUITY		144,195		80,111		5,223-		15,448		68,792
12	TOTAL	$	1,477,034	$	1,348,454	$	1,108,309	$	1,046,672	$	1,050,124
							PERCENT OF REVENUES				
13	WAGES AND BENEFITS		28.6		29.3		33.1		30.0		25.4
14	OTHER OPERATION AND MAINTENANCE EXPENSES		26.1		29.8		27.8		27.7		28.0
15	DEPRECIATION AND AMORTIZATION EXPENSES		16.9		14.3		17.0		17.4		16.0
16	EXTRAORDINARY RETIREMENTS		-		-		-		-		-
17	INCOME TAXES - OPERATING		0.7		0.2		1.0-		0.6-		2.8
18	OTHER TAXES - OPERATING		12.1		13.4		14.9		14.0		12.3
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		5.4		6.5		8.2		9.6		8.2
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		0.4		0.5		0.6		0.6		0.6
21	EARNINGS AVAILABLE FOR COMMON EQUITY		9.8		5.9		0.4-		1.5		6.6
22	TOTAL		100.0		100.0		100.0		100.0		100.0
							DOLLARS PER AVERAGE ACCESS LINE PER MONTH				
23	WAGES AND BENEFITS	$	14.12	$	13.65	$	13.24	$	11.71	$	10.02
24	OTHER OPERATION AND MAINTENANCE EXPENSES		12.91		13.86		11.10		10.80		11.04
25	DEPRECIATION AND AMORTIZATION EXPENSES		8.33		6.65		6.81		6.80		6.32
26	EXTRAORDINARY RETIREMENTS		-		-		-		-		-
27	INCOME TAXES - OPERATING		0.36		0.08		0.43-		0.28-		1.10
28	OTHER TAXES - OPERATING		5.99		6.22		5.94		5.46		4.85
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		2.68		3.02		3.28		3.73		3.24
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		0.22		0.23		0.24		0.25		0.25
31	EARNINGS AVAILABLE FOR COMMON EQUITY		4.83		2.76		0.18-		0.58		2.58
32	TOTAL	$	49.44	$	46.47	$	39.97	$	39.03	$	39.40

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

NEW YORK TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 15,188,458,739	$ 14,317,938,922	$ 15,155,500,357	$ 14,515,022,572	$ 13,629,113,642
2	ACCUMULATED PROVISION FOR DEPR+AMORT	4,052,800,147	3,582,356,608	3,295,550,086	3,027,892,452	2,711,266,792
3	NET TELEPHONE PLANT	11,135,658,592	10,735,582,314	11,859,950,271	11,487,130,120	10,917,846,850
4	INVESTMENTS IN AFFILIATED COMPANIES	81,838,045	62,556,733	62,522,126	65,484,360	65,448,036
5	ADVANCES TO AFFILIATED COMPANIES	162	-	-	43,070	31,930
6	MISCELLANEOUS PHYSICAL PROPERTY	14,647,294	20,011,898	10,339,353	9,920,927	11,053,678
7	OTHER INVESTMENTS AND FUNDS	2,507,394	2,867,750	3,202,724	4,780,611	5,412,440
8	TOTAL INVESTMENTS AND FUNDS	98,992,895	85,436,381	76,064,203	80,228,968	81,946,084
9	CASH AND WORKING FUNDS	69,466,535	92,349,664	57,972,093	61,753,479	35,703,287
10	SPECIAL CASH DEPOSITS	22,732,792	22,957,860	29,512,522	8,168,115	1,039,682
11	TEMPORARY CASH INVESTMENTS	6,275,570	3,028,639	9,781,523	94,853,716	74,157,166
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	12,683,841	28,260,871	43,250,104	14,357,033	8,681,194
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	285,036,020	313,803,568	33,807,194	35,395,796	24,080,541
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	1,075,972,710	924,813,940	1,044,219,323	1,006,338,503	851,950,543
15	MATERIALS AND SUPPLIES*	63,775,467	48,646,242	68,649,275	57,807,859	58,439,353
16	PREPAYMENTS	21,991,797	29,005,193	108,863,640	101,139,453	94,643,079
17	OTHER CURRENT AND ACCRUED ASSETS	3,780,695	874,940	937,830	1,143,963	3,371,082
18	TOTAL CURRENT AND ACCRUED ASSETS	1,561,715,427	1,463,741,517	1,396,993,504	1,341,057,917	1,161,845,937
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	79,910,452	82,817,631	40,723,819	34,587,600	35,793,563
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	503,049,099	381,020,439	288,000,239	157,782,997	78,278,730
23	TOTAL DEFERRED DEBITS	582,959,551	463,838,070	328,724,058	192,370,597	114,072,293
24	TOTAL ASSETS AND OTHER DEBITS	13,379,326,465	$ 12,748,658,282	$ 13,661,732,036	$ 13,100,787,602	$ 12,275,711,164
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 3,953,533,290	$ 3,924,189,409	$ 4,475,167,652	$ 4,464,235,753	$ 4,253,998,437
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	1,090,875,222	988,634,178	1,010,164,453	1,004,584,534	948,425,825
34	TOTAL PROPRIETARY CAPITAL	5,044,408,512	4,912,823,587	5,485,332,105	5,468,820,287	5,202,424,262
35	BONDS(LESS BONDS REACQUIRED)	3,681,569,000	3,782,007,000	3,752,000,000	3,602,000,000	3,727,000,000
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	413,800,021	183,101,531	100,206,393
37	OTHER LONG-TERM DEBT	21,240,728	21,618,656	3,802,643	3,852,717	3,898,865
38	TOTAL LONG-TERM DEBT	3,702,809,728	3,803,625,656	4,169,602,664	3,788,954,248	3,831,105,258
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	209,438,405	131,396,069	132,601,297	118,123,892	160,433,213
40	OTHER NOTES AND ACCOUNTS PAYABLE	945,155,540	763,283,006	669,320,982	825,482,617	604,435,638
41	CUSTOMERS' DEPOSITS	42,865,542	62,002,430	63,273,163	59,528,069	58,153,127
42	ADVANCE BILLING AND PAYMENTS	110,158,570	106,072,329	133,600,028	164,546,294	141,581,180
43	TAXES ACCRUED	184,789,717	212,036,669	80,668,305	112,728,607	66,594,645
44	OTHER CURRENT AND ACCRUED LIABILITIES	251,060,856	102,067,401	118,231,965	108,330,713	105,900,712
45	TOTAL CURRENT AND ACCRUED LIABILITIES	1,743,468,630	1,376,857,904	1,197,695,740	1,388,740,192	1,136,768,524
46	UNAMORTIZED PREMIUM ON DEBT	1,533,754	1,641,184	1,748,614	1,856,044	1,897,790
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	569,073,907	547,931,187	614,079,370	576,713,180	517,192,448
48	OTHER DEFERRED CREDITS	58,125,927	65,233,205	102,692,680	58,106,425	30,913,068
49	TOTAL DEFERRED CREDITS	628,733,588	614,805,576	718,520,664	636,675,649	550,003,306
50	OPERATING RESERVES	10,327,225	8,573,882	11,028,698	10,518,326	9,410,888
51	ACCUMULATED DEFERRED INCOME TAXES	2,249,580,782	2,034,001,678	2,079,552,165	1,807,078,900	1,545,998,926
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 13,379,326,465	$ 12,748,658,282	$ 13,661,732,036	$ 13,100,787,602	$ 12,275,711,164
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.22	2.30	2.10	2.10	2.20
54	CURRENT ASSETS/CURRENT LIABILITIES	0.90	1.06	1.17	0.97	1.02
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	42.3	43.6	43.1	40.9	42.4
56	PREFERRED STOCK	-	-	-	-	-
57	COMMON STOCK+OTHER PAID-IN CAPITAL	45.1	45.0	46.3	48.2	47.0
58	RETAINED EARNINGS	12.4	11.3	10.4	10.8	10.4
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	24.3	26.5	27.5	26.1	28.1
60	PERCENT OF NET TELEPHONE PLANT	33.2	35.4	35.1	32.9	35.0
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	26.6	25.0	21.7	20.8	19.8

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

STARTING WITH THE YEAR 1983 CERTAIN OPENING BALANCES DIFFER FROM THE CORRESPONDING CLOSING BALANCES OF THE PRIOR YEAR. THIS IS DUE PRIMARILY TO THE TRANSFER OF ASSETS TO AT&T INFORMATION SYSTEMS AND AT&T COMMUNICATIONS AS A RESULT OF THE DIVESTITURE AGREEMENT.

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

NEW YORK TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 6,633,947,992	$ 6,399,085,634	$ 7,052,122,204	$ 6,704,040,078	$ 5,952,858,497	1
OPERATION AND MAINTENANCE EXPENSE	3,427,884,066	3,312,183,329	3,756,701,479	3,701,041,719	3,169,138,798	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	850,546,537	781,896,131	836,257,220	768,122,598	732,738,068	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	843,377,922	951,457,983	1,001,662,561	850,744,283	758,388,165	6
INCOME TAXES-OPERATING	241,755,477	98,201,190	108,371,053	106,957,783	124,135,969	7
OPERATING INCOME TAXES DEFERRED	382,256,191	370,096,733	385,238,400	330,145,569	264,090,495	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	74,026,132-	83,941,427-	39,156,337-	22,790,652-	28,839,431-	9
TOTAL OPERATING EXPENSES	5,651,794,061	5,446,895,899	6,029,073,376	5,734,221,286	5,019,652,064	10
TOTAL TELEPHONE OPERATING INCOME	982,153,931	952,189,735	1,023,048,828	969,818,792	933,206,433	11
OTHER INCOME						
DIVIDEND INCOME	11,083,183	7,200,000	7,200,000	7,200,000	11,820,000	12
INTEREST INCOME	8,528,124	10,648,370	15,779,315	16,635,429	15,184,565	13
ALLOWANCE FOR CONSTRUCTION FUNDS	48,128,789	42,548,685	40,295,324	42,882,286	28,470,731	14
INCOME FROM SINKING AND OTHER FUNDS	60,818	60,818	58,223	45,739	45,739	15
INCOME FROM MISC. PHYSICAL PROPERTY	536,686-	2,077,109	713,487-	1,228,257-	700,111-	16
MISCELLANEOUS INCOME	3,088,405	21,683,806	374,618-	2,286,696	1,386,314	17
TOTAL OTHER INCOME	70,352,681	84,214,768	62,244,757	67,821,896	56,207,258	18
TOTAL INCOME	1,052,506,612	1,036,404,523	1,085,293,585	1,037,640,687	989,413,691	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	861,580	2,784,932	1,993,100	3,047,341	870,011	20
INCOME TAXES-NONOPERATING	2,298,032	11,772,324	1,048,632	1,910,528	3,639,255	21
MISCELLANEOUS INCOME CHARGES	10,135,185	8,829,636	11,569,142	10,029,706	8,374,014	22
TOTAL INCOME DEDUCTIONS	13,294,797	23,386,892	14,610,874	14,987,573	12,883,280	23
INCOME BEFORE INTEREST CHARGES	1,039,211,815	1,013,037,631	1,070,682,711	1,022,653,114	976,530,411	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	314,107,599	324,386,882	315,450,944	306,993,479	276,030,111	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	2,390,930	1,472,169	1,325,614	1,214,161	1,049,286	26
AMORT. OF PREMIUM ON DEBT-CREDIT	107,430-	107,430-	107,430-	141,746-	170,783-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	32,326,718	34,177,493	88,599,285	82,994,428	76,422,387	29
TOTAL INTEREST CHARGES	348,717,817	359,929,084	405,268,413	391,080,322	353,331,001	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	690,493,998	653,108,547	665,414,298	631,592,792	623,199,410	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	2,312,864	3,639,781	1,054,254	1,310,348	4,777,621	32
EXTRAORDINARY/DELAYED INCOME CHARGES	2,414,769-	7,715,318-	37,663,660-	177,279-	551,946-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	2,920,474-	11,475,637-	7,082,910-	567,152	2,120,703	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	2,818,569	7,400,082	29,528,496-	565,917	2,104,972	35
NET INCOME	$ 693,312,567	$ 660,508,629	$ 635,887,802	$ 632,158,709	$ 625,304,382	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 988,634,178	$ 889,917,549	$ 909,816,538	$ 948,425,825	$ 833,204,443	37
BALANCE TRANSFERRED FROM INCOME	693,312,567	660,508,629	635,887,802	632,158,709	625,304,382	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	3,767,523	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	42
-COMMON STOCK	587,304,000	561,792,000	625,539,887	576,000,000	510,083,000	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	1,090,875,222	988,634,178	1,010,164,453	1,004,584,534	948,425,825	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 1,090,875,222	$ 988,634,178	$ 1,010,164,453	$ 1,004,584,534	$ 948,425,825	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	51.6	51.7	53.2	55.2	53.2	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	12.8	12.2	11.8	11.4	12.3	49
TOTAL INCOME TAXES-OPERATING	8.0	6.3	6.2	6.2	6.0	50
OTHER TAXES-OPERATING	12.7	14.8	14.2	12.6	12.7	51
TOTAL OPERATING EXPENSES	85.1	85.1	85.4	85.5	84.3	52
OPERATING INCOME	14.8	14.8	14.5	14.4	15.6	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.5	5.4	5.5	5.2	5.3	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	5.3	5.6	5.7	5.8	5.9	55
PRETAX INTEREST COVERAGE	4.5	4.0	3.7	3.7	3.8	56
NET INCOME-PERCENT OF OPERATING REVENUES	10.4	10.3	9.0	9.4	10.5	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	58
TIMES EARNED	-	-	-	-	-	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	8.8	8.7	8.8	8.5	8.5	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	84.7	85.0	98.3	91.1	81.5	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	13.9	12.7	11.6	11.6	12.3	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	11.7	10.8	11.4	10.7	10.0	63

STARTING WITH THE YEAR 1983 CERTAIN OPENING BALANCES DIFFER FROM THE CORRESPONDING CLOSING BALANCES OF THE PRIOR YEAR. THIS IS DUE PRIMARILY TO THE TRANSFER OF ASSETS TO AT&T INFORMATION SYSTEMS AND AT&T COMMUNICATIONS AS A RESULT OF THE DIVESTITURE AGREEMENT.

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NEW YORK TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 690,493,998	$ 663,108,547	$ 665,414,298	$ 631,592,792	$ 623,199,411
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	852,830,037	783,260,870	837,475,404	789,982,020	751,883,764
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	238,721,824	251,030,272	311,293,525	320,600,706	254,106,643
4	INTEREST CAPITALIZED	48,128,789-	42,546,685-	40,295,324-	42,882,288-	28,470,731-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	1,731,917,070	1,654,853,004	1,773,887,903	1,699,293,230	1,600,719,087
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	2,818,569	7,400,382	29,526,496-	565,917	2,104,971
9	TOTAL FUNDS FROM INTERNAL SOURCES	1,734,735,639	1,662,253,386	1,744,361,407	1,699,859,147	1,602,824,058
10	LESS DIVIDENDS PREFERRED	-	-	-	-	-
11	COMMON	587,304,000	561,792,000	625,539,887	576,000,000	510,083,000
12	NET FUNDS FROM INTERNAL SOURCES	1,147,431,639	1,100,461,386	1,118,821,520	1,123,859,147	1,092,741,058
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	47,822,992	380,648,416	83,963,586	439,953,218
14	PREFERRED STOCK		-	-	-	-
15	COMMON STOCK	29,343,881	56,000,692	10,931,899	210,237,316	185,014,240
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	207,982,000	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	29,343,881	103,823,684	391,580,315	502,182,902	624,967,458
20	OTHER SOURCES (NET)	281,883,898	275,737,011	100,340,866	-	
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,458,659,418	$ 1,480,021,781	$ 1,610,742,701	$ 1,626,042,049	$ 1,717,708,516
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 1,261,096,620	$ 1,187,298,901	$ 1,241,130,230	$ 1,347,515,135	$ 1,437,026,131
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	1,261,096,620	1,187,298,901	1,241,130,230	1,347,515,135	1,437,026,131
28	LESS INTEREST CAPITALIZED	48,128,789	42,546,685	40,295,324	42,882,288	28,470,731
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,212,967,831	1,144,752,216	1,200,834,906	1,304,632,847	1,408,555,400
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	100,815,928	-	-	126,114,596	90,032,220
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	24,000,000	228,883,000	339,594,000	-	124,060,000
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	124,815,928	228,883,000	339,594,000	126,114,596	214,092,220
37	OTHER USES (NET)	120,875,659	106,386,565	70,313,795	195,294,606	95,060,896
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,458,659,418	$ 1,480,021,781	$ 1,610,742,701	$ 1,626,042,049	$ 1,717,708,516

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT.

YEARS ENDING DECEMBER 31

NEW YORK TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 4,074,886,050	$ 3,822,505,176	$ 4,081,785,998	$ 3,931,369,038	$ 3,447,675,258	1
ACCESS REVENUES	1,696,874,464					2
TOLL REVENUES	484,646,319	601,385,696	2,842,237,148	2,649,148,592	2,391,864,767	3
MISCELLANEOUS REVENUES	417,751,182	2,018,068,596	215,393,693	190,805,680	170,667,832	4
UNCOLLECTIBLE REVENUES-OR	40,210,023	42,873,834	87,294,635	67,283,232	57,349,360	5
TOTAL TELEPHONE OPERATING REVENUE	$ 6,633,947,992	$ 6,399,085,634	$ 7,052,122,204	$ 6,704,040,078	$ 5,952,858,497	6
TELEPHONE ACCESS LINES IN SERVICE	8,819,528	8,508,632	8,387,628	8,211,122	8,210,039	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 470 37	$ 453 33	$ 492 71	$ 478 82	$ 423 53	8
ACCESS REVENUE	195 87					9
TOLL REVENUE	55 94	71 32	343 08	322 65	293 83	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 1,457,366,606	$ 1,439,681,316	$ 1,687,171,946	$ 1,562,500,525	$ 1,269,658,801	11
DEPRECIATION + AMORTIZATION EXPENSES	860,546,537	781,896,131	836,257,220	768,122,598	732,738,068	12
TRAFFIC EXPENSES	200,369,951	202,941,427	275,629,707	295,805,342	278,490,674	13
COMMERCIAL EXPENSES	494,638,904	553,874,304	685,738,048	714,521,275	619,489,043	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	439,781,784	408,719,950	440,401,781	394,776,011	356,104,948	16
OTHER OPERATING EXPENSES	825,726,821	706,966,332	707,760,019	733,438,566	645,355,332	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 4,278,430,603	$ 4,094,079,460	$ 4,592,358,609	$ 4,469,164,317	$ 3,901,836,866	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 14,719,715,570	$ 13,841,107,927	$ 14,744,350,597	$ 14,071,901,952	$ 13,191,498,424	19
PLANT UNDER CONSTRUCTION	468,353,324	474,966,589	410,502,315	443,088,844	437,427,545	20
PROPERTY HELD FOR FUTURE USE	389,845	1,864,406	647,445	31,776	187,673	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	15,188,458,739	14,317,938,922	15,155,500,357	14,515,022,572	13,629,113,642	24
ACCUMULATED PROVISION FOR DEPR+AMORT	4,052,800,147	3,582,356,608	3,295,550,086	3,027,892,452	2,711,266,792	25
NET TELEPHONE PLANT	$ 11,135,658,592	$ 10,735,582,314	$ 11,859,950,271	$ 11,487,130,120	$ 10,917,846,850	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 13,841,107,927	$ 12,947,130,885	$ 14,082,711,803	$ 13,191,498,424	$ 12,286,885,798	27
ADDITIONS	1,270,333,401	1,084,656,630	1,271,388,795	1,340,123,655	1,316,487,442	28
RETIREMENTS	389,587,152	252,947,215	589,750,001	459,720,127	411,874,816	29
TRANSFERS AND ADJUSTMENTS	2,138,606-	62,267,608	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 14,719,715,570	$ 13,841,107,927	$ 14,744,350,597	$ 14,071,901,952	$ 13,191,498,424	31

STARTING WITH THE YEAR 1983 CERTAIN OPENING BALANCES DIFFER FROM THE CORRESPONDING CLOSING BALANCES OF THE PRIOR YEAR. THIS IS DUE PRIMARILY TO THE TRANSFER OF ASSETS TO AT&T INFORMATION SYSTEMS AND AT&T COMMUNICATIONS AS A RESULT OF THE DIVESTITURE AGREEMENT.

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

NEW YORK TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 6,633,947,992	$ 6,399,085,634	$ 7,052,122,204	$ 6,704,040,078	$ 5,952,858,497
2	ACCESS LINES (AVERAGE*)	8,663,080	8,432,130	8,284,375	8,210,581	8,140,428
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 1,914,482,736	$ 2,178,541,378	$ 2,654,508,566	$ 2,609,399,082	$ 2,258,841,613
4	OTHER OPERATION AND MAINTENANCE EXPENSES	1,513,401,330	1,133,841,951	1,102,192,913	1,091,642,657	910,297,185
5	DEPRECIATION AND AMORTIZATION EXPENSES	850,544,537	781,896,131	838,257,220	768,122,598	732,738,068
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	529,985,538	401,358,456	434,452,118	414,312,708	359,387,033
8	OTHER TAXES - OPERATING	843,377,922	951,457,983	1,001,662,561	850,744,263	758,388,165
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	332,787,188	344,867,558	391,647,788	376,197,750	344,149,190
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	649,386,743	607,322,177	631,401,040	593,621,042	589,057,243
12	TOTAL	$ 6,633,947,992	$ 6,392,085,634	$ 7,052,122,204	$ 6,704,040,078	$ 5,952,858,497
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	28.9	34.0	37.6	38.9	37.9
14	OTHER OPERATION AND MAINTENANCE EXPENSES	22.8	17.7	15.6	16.3	15.3
15	DEPRECIATION AND AMORTIZATION EXPENSES	12.8	12.2	11.9	11.5	12.3
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	8.0	6.3	6.2	6.2	6.0
18	OTHER TAXES - OPERATING	12.7	14.9	14.2	12.7	12.7
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.0	5.4	5.6	5.6	5.8
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	9.8	9.5	9.0	8.9	9.9
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 18.42	$ 21.53	$ 26.70	$ 26.48	$ 23.12
24	OTHER OPERATION AND MAINTENANCE EXPENSES	14.56	11.20	11.09	11.08	9.32
25	DEPRECIATION AND AMORTIZATION EXPENSES	8.18	7.73	8.41	7.80	7.50
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	5.10	3.97	4.37	4.21	3.68
28	OTHER TAXES - OPERATING	8.11	9.40	10.08	8.63	7.76
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.20	3.41	3.94	3.82	3.52
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	6.25	6.00	6.35	6.02	6.03
32	TOTAL	$ 63.81	$ 63.24	$ 70.94	$ 68.04	$ 60.94

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

NICHOLVILLE TELEPHONE COMPANY, INC.

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 2,518,950	$ 2,416,738	$ 2,363,114	$ 2,178,448	$ 2,124,601
2	ACCUMULATED PROVISION FOR DEPR+AMORT	625,533	598,712	494,175	338,547	268,742
3	NET TELEPHONE PLANT	1,893,417	1,818,026	1,868,939	1,839,901	1,855,859
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	869	803	711	-	-
7	OTHER INVESTMENTS AND FUNDS	8,000	3,000	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	8,869	3,803	711	-	-
9	CASH AND WORKING FUNDS	91,777	39,885	7,622	11,773	1,559
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	121,293	105,225	20,780	20,682	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	102,473	80,586	46,091	33,548	-
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	49,592	64,130	91,279	82,961	55,270
15	MATERIALS AND SUPPLIES*	34,058	32,147	34,935	24,820	14,091
16	PREPAYMENTS	23,792	14,810	15,784	16,903	20,334
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	422,985	336,783	216,491	190,687	91,254
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	10,982	7,939	8,235	8,532	8,829
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	33	-	-	-	19,120
23	TOTAL DEFERRED DEBITS	11,015	7,939	8,235	8,532	27,949
24	TOTAL ASSETS AND OTHER DEBITS	2,336,286	$ 2,166,551	$ 2,094,376	$ 2,039,120	$ 1,975,062
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 41,000	$ 41,000	$ 41,000	$ 41,000	$ 41,000
26	PREFERRED CAPITAL STOCK	100,000	100,000	100,000	100,000	100,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	3,851-	3,851-	3,851-	3,851-	3,851-
33	RETAINED EARNINGS	489,411	368,407	268,598	223,904	131,184
34	TOTAL PROPRIETARY CAPITAL	626,560	505,556	405,747	361,052	268,333
35	BONDS(LESS BONDS REACQUIRED)	1,424,413	1,452,019	1,478,208	1,503,145	1,525,028
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	
38	TOTAL LONG-TERM DEBT	1,424,413	1,452,019	1,478,208	1,503,145	1,525,028
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	73,750	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	127,880	96,843	61,449	94,917	145,434
41	CUSTOMERS' DEPOSITS	2,200	4,400	-	-	-
42	ADVANCE BILLING AND PAYMENTS	-	-	-	-	-
43	TAXES ACCRUED	1,167-	3,190	1,817	6,180	155-
44	OTHER CURRENT AND ACCRUED LIABILITIES	19,820	13,650	15,255	22,514	15,076
45	TOTAL CURRENT AND ACCRUED LIABILITIES	148,733	118,083	152,271	123,611	160,355
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	92,905	72,931	51,121	48,805	21,142
48	OTHER DEFERRED CREDITS	413	227	71	-	-
49	TOTAL DEFERRED CREDITS	93,318	73,158	51,192	48,805	21,142
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	43,262	17,735	6,958	2,507	204
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 2,336,286	$ 2,166,551	$ 2,094,376	$ 2,039,120	$ 1,975,062
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.78	2.96	3.22	3.25	4.29
54	CURRENT ASSETS/CURRENT LIABILITIES	2.84	2.85	1.42	1.54	0.57
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	69.4	74.1	78.4	80.6	85.0
56	PREFERRED STOCK	4.8	5.1	5.3	5.3	5.5
57	COMMON STOCK+OTHER PAID-IN CAPITAL	1.8	1.8	1.9	1.9	2.0
58	RETAINED EARNINGS	23.8	18.8	14.2	12.0	7.3
	LONG-TERM DEBT:					
59	PERCENT OF GROSS TELEPHONE PLANT	56.5	60.0	62.5	69.0	71.7
60	PERCENT OF NET TELEPHONE PLANT	75.2	79.8	79.0	81.6	82.1
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	24.8	24.7	20.9	15.5	12.6

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

NICHOLVILLE TELEPHONE COMPANY, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 886,250	$ 808,551	$ 704,895	$ 662,847	$ 487,355	1
OPERATION AND MAINTENANCE EXPENSE	429,279	376,430	317,890	283,999	218,658	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	140,659	132,577	166,075	90,791	87,851	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	79,743	85,273	80,624	77,413	61,065	6
INCOME TAXES-OPERATING	4,434-	31,074	5,939	32,866	6,220	7
OPERATING INCOME TAXES DEFERRED	25,527	10,777	4,451	2,303	204	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	32,809	-	-	-	-	9
TOTAL OPERATING EXPENSES	703,583	636,131	574,979	487,372	373,998	10
TOTAL TELEPHONE OPERATING INCOME	182,667	172,420	129,916	175,475	113,357	11
OTHER INCOME						
DIVIDEND INCOME	8,871	-	-	-	-	12
INTEREST INCOME	-	5,259	1,594	694	-	13
ALLOWANCE FOR CONSTRUCTION FUNDS	8,700	5,442	3,259	1,799	172	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	5-	384	159	-	-	16
MISCELLANEOUS INCOME	12,935	11,420	4,699	17,888	2,058	17
TOTAL OTHER INCOME	30,501	22,505	9,711	20,381	2,230	18
TOTAL INCOME	213,168	194,925	139,627	195,856	115,587	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	298	215	240	796	-	20
INCOME TAXES-NONOPERATING	5,998	3,489	925	3,288	-	21
MISCELLANEOUS INCOME CHARGES	816	770	311	95	60	22
TOTAL INCOME DEDUCTIONS	7,112	4,474	1,476	4,179	60	23
INCOME BEFORE INTEREST CHARGES	206,056	190,451	138,151	191,677	115,527	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	71,833	73,224	74,500	75,708	76,309	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	297	297	297	297	297	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	4,462	8,661	10,200	14,492	7,712	29
TOTAL INTEREST CHARGES	76,592	82,182	84,997	90,497	84,318	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	129,464	108,269	53,154	101,180	31,209	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME	$ 129,464	$ 108,269	$ 53,154	$ 101,180	$ 31,209	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 368,407	$ 268,598	$ 223,904	$ 131,184	$ 108,435	37
BALANCE TRANSFERRED FROM INCOME	129,464	108,269	53,154	101,180	31,209	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	6,000	6,000	6,000	6,000	6,000	42
-COMMON STOCK	2,460	2,460	2,460	2,460	2,460	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	489,411	368,407	268,598	223,904	131,184	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 489,411	$ 368,407	$ 268,598	$ 223,904	$ 131,184	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	48.4	46.5	45.0	42.8	44.8	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	15.8	16.3	23.5	13.6	18.0	49
TOTAL INCOME TAXES-OPERATING	6.1	5.2	1.5	5.3	1.3	50
OTHER TAXES-OPERATING	8.9	10.5	11.4	11.6	12.5	51
TOTAL OPERATING EXPENSES	79.3	78.6	81.5	73.5	76.7	52
OPERATING INCOME	20.6	21.3	18.4	26.4	23.2	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.5	5.4	7.0	4.1	4.1	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	8.6	10.2	12.1	13.7	17.3	55
PRETAX INTEREST COVERAGE	3.3	2.7	1.7	2.5	1.4	56
NET INCOME-PERCENT OF OPERATING REVENUES	14.6	13.3	7.5	15.2	6.4	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	0.6	0.7	0.8	0.9	1.2	58
TIMES EARNED	21.6	18.0	8.9	16.9	5.2	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	0.2	0.3	0.3	0.3	0.5	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	1.9	2.4	5.2	2.5	9.7	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	26.4	28.7	16.6	44.3	16.0	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	0.5	0.6	0.8	1.1	1.5	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NICHOLVILLE TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 129,464	$ 108,269	$ 53,154	$ 101,180	$ 31,209
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	150,895	142,423	176,627	126,312	93,949
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	45,501	32,587	6,767	-	4,041
4	INTEREST CAPITALIZED	8,700-	5,442-	3,259-	1,799-	172-
5	OTHER (NET):	-	-	-	-	-
6		-				
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	317,160	277,837	233,289	225,693	129,027
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	317,160	277,837	233,289	225,693	129,027
10	LESS DIVIDENDS: PREFERRED	6,000	6,000	6,000	6,000	6,000
11	COMMON	2,460	2,460	2,460	2,460	2,460
12	NET FUNDS FROM INTERNAL SOURCES	308,700	269,377	224,829	217,233	120,567
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	50,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	50,000
20	OTHER SOURCES (NET)	-	-	321	-	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 308,700	$ 269,377	$ 225,150	$ 217,233	$ 170,567
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 226,100	$ 91,354	$ 202,761	$ 79,998	$ 89,396
25	NON-UTILITY PLANT	66	92	711	-	
26	OTHER	5,000	3,000	-	-	-
27	TOTAL GROSS ADDITIONS	231,166	94,446	203,472	79,998	89,396
28	LESS INTEREST CAPITALIZED	8,700	5,442	3,259	1,799	172
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	222,466	89,004	200,213	78,199	89,224
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	27,606	26,189	24,937	21,883	15,250
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	27,606	26,189	24,937	21,883	15,250
37	OTHER USES (NET)	58,628	154,184	-	117,151	66,093
38						
39						
40	TOTAL FUNDS APPLIED	$ 308,700	$ 269,377	$ 225,150	$ 217,233	$ 170,567

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

NICHOLVILLE TELEPHONE COMPANY, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 265,841	$ 252,420	$ 242,375	$ 236,824	$ 232,786	1
ACCESS REVENUES	228,151					2
TOLL REVENUES	339,258	544,770	453,251	415,459	246,354	3
MISCELLANEOUS REVENUES	57,382	19,022	12,698	12,420	13,162	4
UNCOLLECTIBLE REVENUES-DR	2,382	7,661	3,429	1,856	4,947	5
TOTAL TELEPHONE OPERATING REVENUE	$ 888,250	$ 808,551	$ 704,895	$ 662,847	$ 487,355	6
TELEPHONE ACCESS LINES IN SERVICE	1,791	1,750	1,714	1,731	1,697	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 150.15	$ 145.74	$ 140.71	$ 138.17	$ 137.95	8
ACCESS REVENUE	127.73					9
TOLL REVENUE	191.62	314.53	263.14	242.39	145.99	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 131,066	$ 120,366	$ 109,366	$ 102,665	$ 82,869	11
DEPRECIATION + AMORTIZATION EXPENSES	140,659	132,577	166,075	90,791	87,951	12
TRAFFIC EXPENSES	27,797	26,948	8,383	8,067	9,714	13
COMMERCIAL EXPENSES	31,437	28,231	31,708	29,000	19,418	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	188,038	158,473	115,686	88,315	78,071	16
OTHER OPERATING EXPENSES	49,941	42,412	52,747	55,952	28,586	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 568,938	$ 509,007	$ 483,965	$ 374,790	$ 306,609	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 2,493,805	$ 2,285,781	$ 2,284,038	$ 2,131,982	$ 2,115,174	19
PLANT UNDER CONSTRUCTION	25,145	130,957	79,076	46,466	9,427	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	2,518,950	2,416,738	2,363,114	2,178,448	2,124,601	24
ACCUMULATED PROVISION FOR DEPR+AMORT	625,533	598,712	494,175	338,547	268,742	25
NET TELEPHONE PLANT	$ 1,893,417	$ 1,818,026	$ 1,868,939	$ 1,839,901	$ 1,855,859	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 2,285,781	$ 2,284,038	$ 2,131,982	$ 2,115,174	$ 1,891,010	27
ADDITIONS	343,549	37,230	167,409	42,959	246,474	28
RETIREMENTS	135,525	35,487	15,353	26,151	22,310	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 2,493,805	$ 2,285,781	$ 2,284,038	$ 2,131,982	$ 2,115,174	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

NICHOLVILLE TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 886,250	$ 808,551	$ 704,895	$ 662,847	$ 487,355
2	ACCESS LINES (AVERAGE*)	1,771	1,732	1,723	1,714	1,688
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 230,587	$ 207,468	$ 174,144	$ 155,084	$ 112,996
4	OTHER OPERATION AND MAINTENANCE EXPENSES	198,692	168,962	143,746	128,915	105,662
5	DEPRECIATION AND AMORTIZATION EXPENSES	140,669	132,577	166,075	90,791	87,851
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	53,902	41,881	10,390	35,169	6,424
8	OTHER TAXES - OPERATING	79,743	85,273	80,624	77,413	61,066
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	73,077	79,744	82,983	89,650	84,193
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	5,704	5,798	5,837	5,933	5,990
11	EARNINGS AVAILABLE FOR COMMON EQUITY	103,888	86,877	41,116	79,892	23,174
12	TOTAL	$ 886,250	$ 808,551	$ 704,895	$ 662,847	$ 487,355
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	26.0	25.7	24.7	23.4	23.2
14	OTHER OPERATION AND MAINTENANCE EXPENSES	22.4	20.9	20.4	19.4	21.7
15	DEPRECIATION AND AMORTIZATION EXPENSES	15.9	16.4	23.6	13.7	18.0
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	6.1	5.2	1.5	5.3	1.3
18	OTHER TAXES - OPERATING	9.0	10.5	11.4	11.7	12.5
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8.2	9.9	11.8	13.5	17.3
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.6	0.7	0.8	0.9	1.2
21	EARNINGS AVAILABLE FOR COMMON EQUITY	11.7	10.7	5.8	12.1	4.8
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 10.85	$ 9.98	$ 8.42	$ 7.54	$ 5.58
24	OTHER OPERATION AND MAINTENANCE EXPENSES	9.36	8.13	6.95	6.27	5.22
25	DEPRECIATION AND AMORTIZATION EXPENSES	6.62	6.38	8.03	4.41	4.34
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	2.54	2.01	0.50	1.71	0.32
28	OTHER TAXES - OPERATING	3.75	4.10	3.90	3.76	3.02
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.44	3.84	4.01	4.36	4.16
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.27	0.28	0.28	0.29	0.30
31	EARNINGS AVAILABLE FOR COMMON EQUITY	4.89	4.18	1.99	3.88	1.14
32	TOTAL	$ 41.71	$ 38.90	$ 34.10	$ 32.23	$ 24.07

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

OGDEN TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 19,437,113	$ 18,564,148	$ 17,737,731	$ 17,216,737	$ 16,870,959
2	ACCUMULATED PROVISION FOR DEPR+AMORT	5,910,722	4,976,311	5,287,782	4,553,512	4,110,533
3	NET TELEPHONE PLANT	13,526,391	13,587,837	12,449,949	12,663,225	12,760,426
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	170,768	89,751	95,106	68,164	24,250
7	OTHER INVESTMENTS AND FUNDS	10,000	5,000	2,000	2,000	2,000
8	TOTAL INVESTMENTS AND FUNDS	180,768	94,751	97,106	70,164	26,250
9	CASH AND WORKING FUNDS	118,613	94,974	308,572	148,871	366,160
10	SPECIAL CASH DEPOSITS	2,320	2,368	4,786	4,408	4,299
11	TEMPORARY CASH INVESTMENTS	-	-	413,522	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	21,847	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	13,400	180,364	18,922	25,081	304,213
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	177,459	-	452,946	428,473	388,973
15	MATERIALS AND SUPPLIES*	699,325	70,508	129,979	182,387	296,992
16	PREPAYMENTS	137,579	385,400	114,268	111,828	155,603
17	OTHER CURRENT AND ACCRUED ASSETS	72,942	748,186	66,706	62,292	61,481
18	TOTAL CURRENT AND ACCRUED ASSETS	1,221,638	1,493,604	1,509,701	961,346	1,577,721
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	261,057	-	281,577	118,153	122,425
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	11,438	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	14,808	-	5,898-	7,114	4,651
23	TOTAL DEFERRED DEBITS	275,865	11,438	275,679	125,267	127,076
24	TOTAL ASSETS AND OTHER DEBITS	15,204,662 $	15,187,628 $	14,332,435 $	13,820,002 $	14,491,473
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 1,136,294	$ 1,132,294	$ 1,132,294	$ 1,132,183	$ 1,132,183
26	PREFERRED CAPITAL STOCK	1,499,200	1,503,200	1,503,200	1,503,300	1,503,300
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	1,887,422	1,597,295	1,341,616	1,111,644	1,082,689
34	TOTAL PROPRIETARY CAPITAL	4,522,916	4,232,789	3,977,110	3,747,127	3,718,172
35	BONDS(LESS BONDS REACQUIRED)	9,052,686	9,117,834	9,150,000	9,150,000	9,150,000
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	9,052,686	9,117,834	9,150,000	9,150,000	9,150,000
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	1,149,494	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	751,066	8,855	383,682	452,172	883,381
41	CUSTOMERS' DEPOSITS	-	-	10,710	15,460	27,340
42	ADVANCE BILLING AND PAYMENTS	73	238	-	73	447
43	TAXES ACCRUED	54,942	274	55,751	17,512	49,055
44	OTHER CURRENT AND ACCRUED LIABILITIES	1,782	24,842	208,000	3,799	287,022
45	TOTAL CURRENT AND ACCRUED LIABILITIES	807,863	1,183,703	658,143	489,016	1,237,845
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	276,920	190,753	88,248	27,943	3,755
48	OTHER DEFERRED CREDITS	21,537	-	-	-	-
49	TOTAL DEFERRED CREDITS	298,457	190,753	88,248	27,943	3,755
50	OPERATING RESERVES	80,753	61,969	60,701	62,686	67,578
51	ACCUMULATED DEFERRED INCOME TAXES	441,998	400,580	398,233	343,230	314,123
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 15,204,662	$ 15,187,628	$ 14,332,435	$ 13,820,002	$ 14,491,473
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	3.90	3.88	3.69	3.93	3.91
54	CURRENT ASSETS/CURRENT LIABILITIES	1.51	1.26	2.29	1.97	1.27
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	66.6	68.2	69.7	70.9	71.1
56	PREFERRED STOCK	11.0	11.2	11.4	11.6	11.6
57	COMMON STOCK+OTHER PAID-IN CAPITAL	8.3	8.4	8.6	8.7	8.7
58	RETAINED EARNINGS	13.9	11.9	10.2	8.6	8.4
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	46.5	49.1	51.5	53.1	54.2
60	PERCENT OF NET TELEPHONE PLANT	66.9	67.1	73.4	72.2	71.7
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	30.4	26.8	29.8	26.4	24.3

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS
OGDEN TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 5,427,822	$ 4,953,892	$ 4,732,718	$ 4,341,528	$ 4,241,328	1
OPERATION AND MAINTENANCE EXPENSE	2,074,492	1,839,869	1,731,111	1,648,427	1,730,903	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	1,029,966	1,028,886	874,736	709,044	684,916	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	734,997	688,277	627,809	580,087	507,550	6
INCOME TAXES-OPERATING	156,408	174,759	177,425	34,489	14,564	7
OPERATING INCOME TAXES DEFERRED	81,217	34,082	2,818	45,042	22,158	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	36,259-	27,776-	23,168-	14,150-	8,541-	9
TOTAL OPERATING EXPENSES	4,041,808	3,709,646	3,390,729	2,972,938	2,951,550	10
TOTAL TELEPHONE OPERATING INCOME	1,386,814	1,249,246	1,341,989	1,368,589	1,289,776	11
OTHER INCOME						
DIVIDEND INCOME	240	240	235	230	230	12
INTEREST INCOME	924	42,428	24,880	17,083	5,688	13
ALLOWANCE FOR CONSTRUCTION FUNDS	22,255	50,149	23,022	18,990	18,348	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	2,782	2,967	5,447	-	-	16
MISCELLANEOUS INCOME	60,123	71,883	10,321	1,105-	1,588	17
TOTAL OTHER INCOME	86,324	167,667	63,686	36,198	25,852	18
TOTAL INCOME	1,472,138	1,416,913	1,405,674	1,403,787	1,315,628	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	1,802	1,550	1,797	560	557	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	5,280	4,647	4,064	5,535	3,475	22
TOTAL INCOME DEDUCTIONS	7,082	6,197	5,861	6,085	4,032	23
INCOME BEFORE INTEREST CHARGES	1,465,076	1,410,716	1,400,023	1,397,702	1,311,596	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	866,259	870,928	910,970	1,120,156	877,677	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	10,260	10,260	10,260	4,271	4,271	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	46,276	27,196	5,372	10,471	155,181	29
TOTAL INTEREST CHARGES	922,795	908,384	926,602	1,134,898	1,037,129	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	542,281	502,382	473,421	262,804	274,467	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME	$ 542,281	$ 502,382	$ 473,421	$ 262,804	$ 274,467	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 1,597,298	$ 1,341,616	$ 1,111,644	$ 1,082,689	$ 1,042,072	37
BALANCE TRANSFERRED FROM INCOME	542,281	502,382	473,421	262,804	274,467	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	114,546	114,706	114,690	114,714	114,714	42
-COMMON STOCK	137,600	131,974	128,758	119,136	119,136	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	1,887,422	1,597,298	1,341,617	1,111,643	1,082,689	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 1,887,422	$ 1,597,295	$ 1,341,616	$ 1,111,644	$ 1,082,688	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	38.2	37.1	36.5	37.9	40.8	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	18.9	20.7	18.4	16.3	16.1	49
TOTAL INCOME TAXES-OPERATING	3.7	3.7	3.3	1.5	0.7	50
OTHER TAXES-OPERATING	13.5	13.2	13.2	12.6	11.9	51
TOTAL OPERATING EXPENSES	74.4	74.8	71.6	68.4	69.5	52
OPERATING INCOME	25.5	25.1	28.3	31.5	30.4	53
DEPR. AND AMORT. % OF TELEPHONE PLANT	5.2	5.5	4.9	4.1	4.0	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	17.0	18.3	19.6	26.1	24.5	55
PRETAX INTEREST COVERAGE	1.6	1.7	1.7	1.3	1.3	56
NET INCOME-PERCENT OF OPERATING REVENUES	9.9	10.1	10.0	6.0	6.4	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	2.1	2.3	2.4	2.6	2.7	58
TIMES EARNED	4.7	4.4	4.1	2.3	2.4	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	2.5	2.6	2.7	2.7	2.8	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	32.1	34.0	35.8	80.4	74.5	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	14.8	14.8	15.2	6.6	7.2	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	4.7	5.0	5.4	5.3	5.4	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ODDEN TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 542,281	$ 502,352	$ 473,421	$ 202,804	$ 274,467
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	1,091,444	1,076,168	912,593	782,406	761,321
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	127,585	104,861	115,308	93,290	17,372
4	INTEREST CAPITALIZED	22,255-	50,149-	23,022-	18,990-	18,346-
5	OTHER (NET):	-	-	-	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	1,739,055	1,633,232	1,478,300	1,059,516	1,034,814
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	1,739,055	1,633,232	1,478,300	1,059,516	1,034,814
10	LESS DIVIDENDS: PREFERRED	114,546	114,706	114,690	114,714	114,714
11	COMMON	137,609	131,974	128,758	119,136	119,136
12	NET FUNDS FROM INTERNAL SOURCES	1,486,900	1,386,552	1,234,852	825,666	800,964
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	1,400,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	1,489
16	NET INCREASE IN SHORT TERM DEBT	-	686,000	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	686,000	-	-	1,401,489
20	OTHER SOURCES (NET)	248,288	738,869	5,155	65,549	22,267
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,735,188	$ 2,811,421	$ 1,240,007	$ 891,215	$ 2,224,720
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 1,058,476	$ 2,826,758	$ 694,460	$ 705,837	$ 688,645
25	NON-UTILITY PLANT	78,817	2,645	26,684	43,914	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	1,137,293	2,829,403	721,144	749,751	688,645
28	LESS INTEREST CAPITALIZED	22,255	50,149	23,022	18,990	18,346
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,115,038	2,779,254	698,122	730,761	670,299
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	65,149	32,166	-	-	
31	PREFERRED STOCK	-	-	-	-	
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	1,500
33	NET DECREASE IN SHORT TERM DEBT	555,000	-	-	160,454	1,551,464
34	OTHER (NET):	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	620,149	32,166	-	160,454	1,552,964
37	OTHER USES (NET):	-	-	541,885	-	1,457
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,735,188	$ 2,811,420	$ 1,240,007	$ 891,215	$ 2,224,720

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

ODDEN TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 3,337,982 $	3,229,098 $	3,081,418 $	2,859,755 $	2,613,154	1
ACCESS REVENUES	1,406,904					2
TOLL REVENUES	145,250	1,445,089	1,415,045	1,269,108	1,455,843	3
MISCELLANEOUS REVENUES	563,916	310,505	262,656	226,661	198,729	4
UNCOLLECTIBLE REVENUES-DR	26,400	26,400	26,400	13,996	26,400	5
TOTAL TELEPHONE OPERATING REVENUE	$ 5,427,622 $	4,958,292 $	4,732,719 $	4,341,528 $	4,241,326	6
TELEPHONE ACCESS LINES IN SERVICE	14,830	14,280	13,941	13,680	13,405	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 229.33	$ 228.84	$ 223.12	$ 210.96	$ 195.98	8
ACCESS REVENUE	96.66					9
TOLL REVENUE	9.98	102.45	102.46	93.44	109.18	10

*YEAR END AVERAGE

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 975,293 $	842,313 $	845,413 $	840,734 $	923,145	11
DEPRECIATION + AMORTIZATION EXPENSES	1,029,955	1,028,856	674,736	709,044	684,916	12
TRAFFIC EXPENSES	65,229	46,361	28,729	35,512	47,159	13
COMMERCIAL EXPENSES	425,542	417,733	381,388	346,720	338,094	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	452,287	393,659	378,216	344,119	317,798	16
OTHER OPERATING EXPENSES	156,183	139,602	97,365	81,339	104,707	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 3,104,449 $	2,868,724 $	2,605,647 $	2,357,468 $	2,415,819	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 18,782,030 $	18,243,170 $	17,352,086 $	16,861,110 $	16,587,429	19
PLANT UNDER CONSTRUCTION	655,083	320,978	385,645	355,627	283,530	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	19,437,113	18,564,148	17,737,731	17,216,737	16,870,959	24
ACCUMULATED PROVISION FOR DEPR+AMORT	5,910,722	4,976,311	5,287,782	4,553,512	4,110,533	25
NET TELEPHONE PLANT	$ 13,526,391 $	13,587,837 $	12,449,949 $	12,663,225 $	12,760,426	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 18,243,170 $	17,352,086 $	16,861,110 $	16,587,428 $	16,152,726	27
ADDITIONS	797,862	2,891,424	664,442	633,742	590,188	28
RETIREMENTS	185,181	2,000,338	173,467	360,059	155,485	29
TRANSFERS AND ADJUSTMENTS	73,817-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 18,782,032 $	18,243,170 $	17,352,086 $	16,861,111 $	16,587,429	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

OGDEN TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 5,427,622	$ 4,958,892	$ 4,732,718	$ 4,341,528	$ 4,241,326
2	ACCESS LINES (AVERAGE*)	14,555	14,111	13,811	13,583	13,334
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 1,454,494	$ 1,246,927	$ 1,142,900	$ 1,118,831	$ 1,060,981
4	OTHER OPERATION AND MAINTENANCE EXPENSES	620,000	592,942	588,211	529,593	669,922
5	DEPRECIATION AND AMORTIZATION EXPENSES	1,029,995	1,028,855	874,738	709,044	684,916
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	202,384	181,645	157,073	65,381	28,181
8	OTHER TAXES - OPERATING	734,997	659,277	627,809	550,087	507,550
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	908,285	872,297	910,786	1,119,193	1,035,893
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	112,632	109,947	112,710	113,100	112,861
11	EARNINGS AVAILABLE FOR COMMON EQUITY	364,897	267,007	318,493	136,296	141,022
12	TOTAL	$ 5,427,622	$ 4,958,892	$ 4,732,718	$ 4,341,528	$ 4,241,326
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	26.8	25.1	24.1	25.8	25.0
14	OTHER OPERATION AND MAINTENANCE EXPENSES	11.4	12.0	12.4	12.2	15.8
15	DEPRECIATION AND AMORTIZATION EXPENSES	19.0	20.7	18.5	16.3	16.1
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	3.7	3.7	3.3	1.5	0.7
18	OTHER TAXES - OPERATING	13.5	13.3	13.3	12.7	12.0
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	16.7	17.6	19.2	25.8	24.4
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	2.1	2.2	2.4	2.6	2.7
21	EARNINGS AVAILABLE FOR COMMON EQUITY	6.7	5.4	6.7	3.1	3.3
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 8.33	$ 7.36	$ 6.90	$ 6.86	$ 6.63
24	OTHER OPERATION AND MAINTENANCE EXPENSES	3.55	3.50	3.55	3.25	4.19
25	DEPRECIATION AND AMORTIZATION EXPENSES	5.90	6.08	5.28	4.35	4.28
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	1.16	1.07	0.95	0.40	0.18
28	OTHER TAXES - OPERATING	4.21	3.89	3.79	3.37	3.17
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.20	5.15	5.50	6.87	6.47
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.64	0.65	0.68	0.69	0.71
31	EARNINGS AVAILABLE FOR COMMON EQUITY	2.09	1.58	1.92	0.84	0.88
32	TOTAL	$ 31.08	$ 29.29	$ 28.56	$ 26.64	$ 26.51

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

ONEIDA COUNTY RURAL TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 3,655,495	$ 3,682,545	$ 3,506,248	$ 3,357,743	$ 3,302,652
2	ACCUMULATED PROVISION FOR DEPR+AMORT	1,451,614	1,403,324	1,227,554	1,048,827	933,741
3	NET TELEPHONE PLANT	2,203,881	2,279,221	2,278,694	2,308,916	2,368,911
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	187,350	15,566	15,566	15,566	15,566
7	OTHER INVESTMENTS AND FUNDS	20,500	15,500	15,500	15,500	18,016
8	TOTAL INVESTMENTS AND FUNDS	207,850	31,066	31,066	31,066	33,582
9	CASH AND WORKING FUNDS	88,924	34,214	15,356	39,882	14,299
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	271,501	252,626	119,735	59,255	77,095
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	84,973	106,300	103,070	18,635	36,259
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	81,882	75,621	76,247	83,231	87,376
15	MATERIALS AND SUPPLIES*	68,067	35,452	58,306	58,154	60,784
16	PREPAYMENTS	39,590	40,178	37,932	39,251	38,349
17	OTHER CURRENT AND ACCRUED ASSETS	158,854	136,237	103,957	92,615	80,651
18	TOTAL CURRENT AND ACCRUED ASSETS	793,791	680,628	514,603	391,023	394,813
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	8,385	8,782	9,178	9,575	9,972
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	5,637	11,274	16,911	22,548	28,185
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	3,380	4,521-	1,716	16,409	12,161
23	TOTAL DEFERRED DEBITS	17,402	15,535	27,805	48,532	50,318
24	TOTAL ASSETS AND OTHER DEBITS	3,222,924	$ 3,006,450	$ 2,852,168	$ 2,779,537	$ 2,847,624
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 85,100	$ 85,100	$ 85,100	$ 85,100	$ 85,100
26	PREFERRED CAPITAL STOCK	83,700	90,050	92,250	95,700	103,200
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	567,294	453,267	359,037	270,404	284,295
34	TOTAL PROPRIETARY CAPITAL	736,094	628,417	536,387	451,204	472,595
35	BONDS(LESS BONDS REACQUIRED)	1,934,308	1,992,074	2,048,191	2,102,812	2,152,835
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	1,934,308	1,992,074	2,048,191	2,102,812	2,152,835
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	101,893	108,784	56,168	46,068	35,933
41	CUSTOMERS'DEPOSITS	5,751	7,360	9,210	5,780	5,880
42	ADVANCE BILLING AND PAYMENTS	18,159	16,852	24,190	21,391	18,700
43	TAXES ACCRUED	6,176-	33,730	33	2,816	5,363
44	OTHER CURRENT AND ACCRUED LIABILITIES	46,597	57,235	35,332	30,220	29,816
45	TOTAL CURRENT AND ACCRUED LIABILITIES	166,222	221,761	124,933	106,275	95,752
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	140,940	74,464	35,739	28,276	30,818
48	OTHER DEFERRED CREDITS	141,597	4,758	4,211	3,663	3,116
49	TOTAL DEFERRED CREDITS	282,537	79,222	39,950	31,939	33,934
50	OPERATING RESERVES	45,063	34,556	33,517	27,222	25,118
51	ACCUMULATED DEFERRED INCOME TAXES	58,700	50,420	69,190	60,085	67,390
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,222,924	$ 3,006,450	$ 2,852,168	$ 2,779,537	$ 2,847,624
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.71	2.79	2.91	3.32	3.16
54	CURRENT ASSETS/CURRENT LIABILITIES	4.78	3.07	4.12	3.68	4.12
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	72.4	76.0	79.2	82.3	81.9
56	PREFERRED STOCK	3.1	3.4	3.5	3.7	3.9
57	COMMON STOCK+OTHER PAID-IN CAPITAL	3.1	3.2	3.2	3.3	3.2
58	RETAINED EARNINGS	21.2	17.2	13.8	10.5	10.8
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	52.9	54.0	58.4	62.6	65.1
60	PERCENT OF NET TELEPHONE PLANT	87.7	87.4	89.8	91.0	90.8
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	39.7	38.1	35.0	31.2	28.2

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

ONEIDA COUNTY RURAL TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,354,428 $	1,288,981 $	1,177,470 $	1,003,938 $	1,016,900	1
OPERATION AND MAINTENANCE EXPENSE	841,865	769,096	678,670	629,481	555,231	2
EXTRAORDINARY RETIREMENTS	5,637	5,637	5,637	5,637	5,637	3
DEPRECIATION	161,062	190,851	179,322	163,087	155,702	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	152,012	170,852	138,130	148,415	140,590	6
INCOME TAXES-OPERATING	56,467	33,227	7,483	2,462-	21,523	7
OPERATING INCOME TAXES DEFERRED	1,117-	14,132-	22,295	-	12,925	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	8,989-	4,838-	13,190-	7,308-	13,487-	9
TOTAL OPERATING EXPENSES	1,206,937	1,150,693	1,016,327	936,853	878,121	10
TOTAL TELEPHONE OPERATING INCOME	147,491	138,288	161,143	67,085	138,779	11
OTHER INCOME						
DIVIDEND INCOME	18,313	-	-	-	2,516	12
INTEREST INCOME	-	10,259	7,786	6,408	358	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-		14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	928-	1,684-	1,357-	1,561-	2,014	16
MISCELLANEOUS INCOME	53,344	12,786	2,350	570	2,575	17
TOTAL OTHER INCOME	70,729	21,361	8,779	5,417	7,463	18
TOTAL INCOME	218,220	159,649	169,922	72,502	146,242	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	5,201	528	705	410	474	20
INCOME TAXES-NONOPERATING	22,399	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	1,939	5,667-	4,217-	2,607-	4,812	22
TOTAL INCOME DEDUCTIONS	29,539	5,139-	3,512-	2,197-	5,286	23
INCOME BEFORE INTEREST CHARGES	188,681	164,788	173,434	74,699	140,956	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	70,502	71,751	73,946	75,024	75,037	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	387	387	387	387	396	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	541-	1,459	1,396	811	790	29
TOTAL INTEREST CHARGES	70,358	73,607	75,729	76,232	76,223	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	118,323	91,181	97,705	1,533-	64,733	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	4,381	22,050	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	2,516-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	10,143	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	4,381	11,907	-	2,516-	-	35
NET INCOME	$ 122,704 $	103,088 $	97,705 $	4,049- $	64,733	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 453,287 $	359,037 $	270,404 $	284,295 $	229,316	37
BALANCE TRANSFERRED FROM INCOME	122,704	103,088	97,705	4,049-	64,733	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	5,273	5,454	5,668	6,438	6,350	42
-COMMON STOCK	3,404	3,404	3,404	3,404	3,402	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	567,294	453,287	359,037	270,404	284,295	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 567,294 $	453,287 $	359,037 $	270,404 $	284,295	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	62.1	59.6	57.6	62.7	54.6	47
EXTRAORDINARY RETIREMENTS	0.4	0.4	0.4	0.5	0.5	48
DEPRECIATION AND AMORTIZATION	11.8	14.8	15.2	16.2	15.3	49
TOTAL INCOME TAXES-OPERATING	3.4	1.1	1.4	0.9-	2.1	50
OTHER TAXES-OPERATING	11.2	13.2	11.5	14.7	13.8	51
TOTAL OPERATING EXPENSES	89.1	89.2	86.3	93.3	86.3	52
OPERATING INCOME	10.8	10.7	13.6	6.6	13.6	53
DEPR. AND AMORT. % OF TELEPHONE PLANT	4.4	5.1	5.1	4.8	4.7	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	5.2	5.7	6.4	7.6	7.5	55
PRETAX INTEREST COVERAGE	3.7	2.4	2.5	0.9	2.1	56
NET INCOME-PERCENT OF OPERATING REVENUES	9.0	7.9	8.2	0.3-	6.3	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	0.3	0.4	0.4	0.6	0.6	58
TIMES EARNED	23.3	18.9	17.2	0.5-	10.2	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	0.2	0.2	0.2	0.3	0.3	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	2.8	3.4	3.6	32.3-	5.8	61
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	19.7	19.8	23.0	2.7-	17.0	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	0.5	0.6	0.8	0.9	0.9	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ONEIDA COUNTY RURAL TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 118,323	$ 91,181	$ 97,705	$ 1,533-	$ 64,733
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	194,056	192,347	183,771	170,123	208,962
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	57,897	19,955	16,568	9,846-	19,375
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET):	10,507	1,039	6,295	2,104	2,387
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	380,783	304,522	304,339	160,848	295,457
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	4,381	11,907	-	2,516-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	385,164	316,429	304,339	158,332	295,457
10	LESS DIVIDENDS: PREFERRED	5,273	5,454	5,668	6,438	6,350
11	COMMON	3,404	3,404	3,404	3,404	3,404
12	NET FUNDS FROM INTERNAL SOURCES	376,487	307,571	295,267	148,490	285,703
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	56,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	56,000
20	OTHER SOURCES (NET):	76,880	73,290	79,010	55,776	29,493
21						
22						
23	TOTAL FUNDS PROVIDED	$ 453,367	$ 380,861	$ 374,277	$ 204,266	$ 371,196
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 199,283	$ 242,738	$ 204,451	$ 129,747	$ 239,876
25	NON-UTILITY PLANT	23,003	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	222,286	242,738	204,451	129,747	239,876
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	222,286	242,738	204,451	129,747	239,876
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	39,156	56,117	54,621	50,023	48,766
31	PREFERRED STOCK	6,350	2,200	3,450	7,500	6,500
32	REDEMPTION OF CAPITAL STOCK	-	-	-		-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-		-
34	OTHER (NET)	-	-	-		-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	45,506	58,317	58,071	57,523	55,266
37	OTHER USES (NET)	185,575	79,806	111,755	16,996	76,052
38						
39						
40	TOTAL FUNDS APPLIED	$ 453,367	$ 380,861	$ 374,277	$ 204,266	$ 371,196

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

ONEIDA COUNTY RURAL TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 726,069	$ 722,208	$ 654,622	$ 630,509	$ 603,090	1
ACCESS REVENUES	238,032					2
TOLL REVENUES	288,681	440,165	402,657	350,858	382,800	3
MISCELLANEOUS REVENUES	105,246	128,880	129,191	31,201	33,410	4
UNCOLLECTIBLE REVENUES-DR	3,600	2,270	9,000	8,630	2,400	5
TOTAL TELEPHONE OPERATING REVENUE	$ 1,354,428	$ 1,288,081	$ 1,177,470	$ 1,003,938	$ 1,016,900	6
TELEPHONE ACCESS LINES IN SERVICE	2,763	2,679	2,611	2,579	2,515	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 266.84	$ 273.05	$ 252.26	$ 247.55	$ 239.99	8
ACCESS REVENUE	87.48					9
TOLL REVENUE	106.09	166.41	155.17	137.75	152.33	10

*YEAR END AVERAGE

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 282,619	$ 284,592	$ 243,084	$ 229,366	$ 181,963	11
DEPRECIATION + AMORTIZATION EXPENSES	146,699	196,488	184,959	168,724	161,339	12
TRAFFIC EXPENSES	28,165	32,366	22,768	21,850	17,614	13
COMMERCIAL EXPENSES	24,353	52,916	64,299	78,082	64,428	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	356,814	279,063	239,307	203,430	200,957	16
OTHER OPERATING EXPENSES	169,914	120,159	109,232	96,753	90,269	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,008,564	$ 965,584	$ 863,629	$ 798,205	$ 716,570	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 3,509,719	$ 3,640,531	$ 3,459,965	$ 3,352,094	$ 3,294,310	19
PLANT UNDER CONSTRUCTION	145,776	42,014	48,283	5,649	8,342	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	3,655,495	3,682,545	3,508,248	3,357,743	3,302,652	24
ACCUMULATED PROVISION FOR DEPR-AMORT	1,451,614	1,403,324	1,227,554	1,048,827	933,741	25
NET TELEPHONE PLANT	$ 2,203,881	$ 2,279,221	$ 2,278,694	$ 2,308,916	$ 2,368,911	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 3,640,531	$ 3,459,965	$ 3,352,094	$ 3,294,310	$ 3,090,881	27
ADDITIONS	95,522	247,007	163,817	132,440	257,747	28
RETIREMENTS	58,989	66,441	55,946	74,656	54,318	29
TRANSFERS AND ADJUSTMENTS	167,345-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 3,509,719	$ 3,640,531	$ 3,459,965	$ 3,352,094	$ 3,294,310	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

ONEIDA COUNTY RURAL TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,354,428	$ 1,288,981	$ 1,177,470	$ 1,003,938	$ 1,016,900
2	ACCESS LINES (AVERAGE*)	2,721	2,645	2,595	2,547	2,513
	DOLLAR AMOUNTS					
3	WAGES AND BENEFITS	$ 484,483	$ 398,391	$ 334,731	$ 289,708	$ 242,756
4	OTHER OPERATION AND MAINTENANCE EXPENSES	357,382	370,705	343,939	339,775	312,475
5	DEPRECIATION AND AMORTIZATION EXPENSES	161,082	190,851	179,322	163,087	155,702
6	EXTRAORDINARY RETIREMENTS	5,637	5,637	5,637	5,637	5,637
7	INCOME TAXES - OPERATING	46,381	14,457	16,568	9,787-	20,961
8	OTHER TAXES - OPERATING	152,012	170,852	136,130	148,415	140,590
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	70,358	73,607	75,729	76,232	76,223
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	5,273	5,454	5,668	6,438	6,350
11	EARNINGS AVAILABLE FOR COMMON EQUITY	71,880	59,227	79,746	15,585-	56,206
12	TOTAL	$ 1,354,428	$ 1,288,981	$ 1,177,470	$ 1,003,938	$ 1,016,900
	PERCENT OF REVENUES					
13	WAGES AND BENEFITS	35.8	30.9	28.4	28.9	23.9
14	OTHER OPERATION AND MAINTENANCE EXPENSES	26.4	28.8	29.2	33.8	30.7
15	DEPRECIATION AND AMORTIZATION EXPENSES	11.9	14.8	15.2	16.2	15.3
16	EXTRAORDINARY RETIREMENTS	0.4	0.4	0.5	0.6	0.6
17	INCOME TAXES - OPERATING	3.4	1.1	1.4	0.9-	2.1
18	OTHER TAXES - OPERATING	11.2	13.2	11.6	14.8	13.8
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.2	5.7	6.4	7.6	7.5
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.4	0.4	0.5	0.6	0.6
21	EARNINGS AVAILABLE FOR COMMON EQUITY	5.3	4.6	6.8	1.5-	5.5
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	DOLLARS PER AVERAGE ACCESS LINE PER MONTH					
23	WAGES AND BENEFITS	$ 14.84	$ 12.55	$ 10.75	$ 9.48	$ 8.05
24	OTHER OPERATION AND MAINTENANCE EXPENSES	10.95	11.68	11.04	11.12	10.36
25	DEPRECIATION AND AMORTIZATION EXPENSES	4.93	6.01	5.76	5.34	5.16
26	EXTRAORDINARY RETIREMENTS	0.17	0.18	0.18	0.18	0.19
27	INCOME TAXES - OPERATING	1.42	0.46	0.53	0.31-	0.70
28	OTHER TAXES - OPERATING	4.66	5.38	4.37	4.86	4.66
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.15	2.32	2.43	2.49	2.53
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.16	0.17	0.18	0.21	0.21
31	EARNINGS AVAILABLE FOR COMMON EQUITY	2.20	1.87	2.56	0.50-	1.86
32	TOTAL	$ 41.48	$ 40.61	$ 37.81	$ 32.85	$ 33.72

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

ONTARIO TELEPHONE COMPANY, INCORPORATED

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 4,133,815	$ 3,955,563	$ 3,888,983	$ 2,597,206	$ 2,452,674
2	ACCUMULATED PROVISION FOR DEPR+AMORT	1,505,771	1,309,785	1,339,804	1,176,210	1,031,418
3	NET TELEPHONE PLANT	2,628,044	2,645,778	2,549,179	1,420,996	1,421,256
4	INVESTMENTS IN AFFILIATED COMPANIES	94,070	83,993	71,042	63,875	53,080
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	35,016	24,948	-	-	-
7	OTHER INVESTMENTS AND FUNDS	8,000	3,000	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	137,086	111,941	71,042	63,875	53,080
9	CASH AND WORKING FUNDS	312,198	292,329	144,986	34,134	49,661
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	100,568	152,130	-	790,380	684,038
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	214,678	65,320	65,873	77,082	61,041
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	233,260	139,599	5,351	28,436	25,110
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	205,828	191,746	140,027	111,695	101,024
15	MATERIALS AND SUPPLIES*	69,464	78,836	67,917	77,824	64,569
16	PREPAYMENTS	11,655	6,597	17,503	7,377	9,386
17	OTHER CURRENT AND ACCRUED ASSETS	133,584	124,584	144,459	126,398	97,335
18	TOTAL CURRENT AND ACCRUED ASSETS	1,281,231	1,051,141	586,096	1,253,326	1,092,164
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	2,522	2,936	3,351	3,766	4,291
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	14,715	16,234	15,090	19,350	12,460
23	TOTAL DEFERRED DEBITS	17,237	19,170	18,441	23,116	16,751
24	TOTAL ASSETS AND OTHER DEBITS	4,083,598	$ 3,828,030	$ 3,224,758	$ 2,761,313	$ 2,583,251
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 115,000	$ 115,000	$ 115,000	$ 115,000	$ 115,000
26	PREFERRED CAPITAL STOCK	125,000	125,000	125,000	125,000	125,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	2,591,418	2,294,533	1,961,118	1,675,601	1,358,331
34	TOTAL PROPRIETARY CAPITAL	2,831,418	2,534,533	2,201,118	1,915,601	1,598,331
35	BONDS(LESS BONDS REACQUIRED)	234,000	240,000	246,000	252,000	258,000
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	234,000	240,000	246,000	252,000	258,000
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	321,349	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	253,346	9,217	265,275	225,980	383,516
41	CUSTOMERS' DEPOSITS	7,950	-	9,325	9,675	9,457
42	ADVANCE BILLING AND PAYMENTS	19,390	16,084	14,169	10,916	9,844
43	TAXES ACCRUED	34,642	139,047	38,015	41,674	33,564
44	OTHER CURRENT AND ACCRUED LIABILITIES	26,737	24,992	24,262	26,217	26,216
45	TOTAL CURRENT AND ACCRUED LIABILITIES	342,065	510,689	351,046	314,462	462,597
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	202,437	191,987	175,107	89,470	83,441
48	OTHER DEFERRED CREDITS	-	-	2,705	4,057	5,410
49	TOTAL DEFERRED CREDITS	202,437	191,987	177,812	93,527	88,851
50	OPERATING RESERVES	-	3,202	1,850	2,750	2,500
51	ACCUMULATED DEFERRED INCOME TAXES	453,678	347,639	246,932	182,973	172,972
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 4,083,598	$ 3,828,030	$ 3,224,758	$ 2,761,313	$ 2,583,251
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.23	2.28	2.27	2.07	2.27
54	CURRENT ASSETS/CURRENT LIABILITIES	3.75	2.06	1.67	3.99	2.36
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	7.6	8.6	10.0	11.6	13.8
56	PREFERRED STOCK	4.0	4.5	5.1	5.7	6.7
57	COMMON STOCK+OTHER PAID-IN CAPITAL	3.7	4.1	4.6	5.3	6.1
58	RETAINED EARNINGS	84.5	82.8	80.1	77.3	73.1
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	5.6	6.0	6.3	9.7	10.5
60	PERCENT OF NET TELEPHONE PLANT	8.9	9.0	9.6	17.7	18.1
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	36.4	33.1	34.4	45.2	42.0

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

ONTARIO TELEPHONE COMPANY, INCORPORATED

ITEM		1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS							
TELEPHONE OPERATING INCOME							
OPERATING REVENUES	$	1,816,252 $	1,718,341 $	1,427,683 $	1,217,715 $	1,059,551	1
OPERATION AND MAINTENANCE EXPENSE		887,394	742,821	683,030	656,396	547,419	2
EXTRAORDINARY RETIREMENTS		-	-	-	-	-	3
DEPRECIATION		202,633	201,815	165,824	148,959	149,372	4
AMORTIZATION		-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING		187,249	173,512	138,913	134,474	110,684	6
INCOME TAXES-OPERATING		98,105	125,024	98,319	65,218	47,237	7
OPERATING INCOME TAXES DEFERRED		105,180	99,486	63,959	10,000	12,063	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING		-	-	-	-	-	9
TOTAL OPERATING EXPENSES		1,480,561	1,342,658	1,150,045	1,015,047	866,775	10
TOTAL TELEPHONE OPERATING INCOME		335,691	375,683	277,638	202,668	192,776	11
OTHER INCOME							
DIVIDEND INCOME		33,016	-	-	-	-	12
INTEREST INCOME		2,972	28,339	42,050	92,193	84,298	13
ALLOWANCE FOR CONSTRUCTION FUNDS		-	1,332	26,021	-	447	14
INCOME FROM SINKING AND OTHER FUNDS		5,150	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY		10,134	492	-	-	-	16
MISCELLANEOUS INCOME		-	18,548	17,422	17,162	8,444	17
TOTAL OTHER INCOME		51,272	48,711	85,493	109,355	93,189	18
TOTAL INCOME		386,963	422,394	363,131	312,023	285,965	19
INCOME DEDUCTIONS							
TAXES OTHER THAN INC. TAXES-NONOPERATING		1,219	1,063	540	1,513	-	20
INCOME TAXES-NONOPERATING		16,845	15,658	7,276	23,761	22,408	21
MISCELLANEOUS INCOME CHARGES		4,925	3,806	7,233	2,631	5,412	22
TOTAL INCOME DEDUCTIONS		22,989	20,527	15,049	27,905	27,820	23
INCOME BEFORE INTEREST CHARGES		363,974	401,867	348,082	284,118	258,145	24
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		18,970	19,540	20,028	20,550	30,398	25
AMORT. OF DEBT DISCOUNT AND EXPENSE		414	415	415	525	576	26
AMORT. OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES		-	-	-	-	-	28
OTHER INTEREST EXPENSE		16,975	18,687	13,233	17,118	12,096	29
TOTAL INTEREST CHARGES		36,359	38,642	33,676	38,193	43,070	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS		327,615	363,225	314,406	245,925	215,075	31
EXTRAORDINARY/DELAYED ITEMS							
EXTRAORDINARY/DELAYED INCOME CREDITS		-	-	-	100,005	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES		-	-	-	-	100,005-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS		-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT		-	-	-	100,005	100,005-	35
NET INCOME	$	327,615 $	363,225 $	314,406 $	345,930 $	115,070	36
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$	2,294,533 $	1,961,118 $	1,675,601 $	1,358,331 $	1,271,231	37
BALANCE TRANSFERRED FROM INCOME		327,615	363,225	314,406	345,930	115,070	38
MISCELLANEOUS CREDITS		-	-	-	-	-	39
MISCELLANEOUS DEBITS		-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS		-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK		7,500	7,500	7,499	7,500	7,500	42
-COMMON STOCK		23,230	22,310	21,390	21,160	20,470	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR		2,591,418	2,294,533	1,961,118	1,675,601	1,358,331	44
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$	2,591,418 $	2,294,533 $	1,961,118 $	1,675,601 $	1,358,331	46
SELECTED INCOME ACCOUNT RELATIONSHIPS							
PERCENT OF TELEPHONE OPERATING REVENUES:							
OPERATION AND MAINTENANCE EXPENSE		48.8	43.2	47.8	53.9	51.6	47
EXTRAORDINARY RETIREMENTS		-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION		11.1	11.7	11.6	12.2	14.0	49
TOTAL INCOME TAXES-OPERATING		11.2	13.1	11.4	6.2	5.6	50
OTHER TAXES-OPERATING		10.3	10.0	9.7	11.0	10.4	51
TOTAL OPERATING EXPENSES		81.5	78.1	80.5	83.3	81.8	52
OPERATING INCOME		18.4	21.8	19.4	16.6	18.1	53
DEPR. AND AMORT. % OF TELEPHONE PLANT		4.9	5.1	4.2	5.7	6.0	54
INTEREST EXPENSE:							
PERCENT OF OPERATING REVENUES		2.0	2.2	2.4	3.1	4.1	55
PRETAX INTEREST COVERAGE		16.0	16.5	15.4	10.0	7.9	56
NET INCOME-PERCENT OF OPERATING REVENUES		18.0	21.1	22.0	28.4	10.8	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:							
PERCENT OF OPERATING REVENUES		0.4	0.4	0.5	0.6	0.7	58
TIMES EARNED		43.7	48.4	41.9	46.1	15.3	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:							
PERCENT OF OPERATING REVENUES		1.2	1.2	1.4	1.7	1.9	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK		7.2	6.2	6.9	6.2	19.0	61
PERCENT OF AVERAGE COMMON EQUITY:							
EARNINGS AVAILABLE FOR COMMON STOCK		12.5	15.8	15.8	20.7	7.5	62
DIVIDEND APPROPRIATIONS, COMMON STOCK		0.9	0.9	1.1	1.2	1.4	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ONTARIO TELEPHONE COMPANY, INCORPORATED

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 327,615	$ 363,225	$ 314,406	$ 245,925	$ 215,075
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	219,673	217,384	179,858	162,923	149,949
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	116,509	117,587	150,244	16,678	19,349
4	INTEREST CAPITALIZED	2,972-	1,332-	26,021-	-	447-
5	OTHER (NET):	7,197-	-	-	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	653,628	696,844	618,487	425,526	383,926
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	100,005	100,005-
9	TOTAL FUNDS FROM INTERNAL SOURCES	653,628	696,844	618,487	525,531	283,921
10	LESS DIVIDENDS: PREFERRED	7,500	7,500	7,499	7,500	7,500
11	COMMON	23,230	22,310	21,390	21,160	20,470
12	NET FUNDS FROM INTERNAL SOURCES	622,898	667,034	589,598	496,871	255,951
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	75,287	-	-
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	75,287	-	-
20	OTHER SOURCES (NET)	15,137	60,614	663,837	10,891	30,714
21						
22						
23	TOTAL FUNDS PROVIDED	$ 638,035	$ 727,648	$ 1,328,722	$ 507,762	$ 286,665
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 219,497	$ 351,577	$ 1,312,844	$ 162,830	$ 170,658
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	10,077	12,951	7,167	10,795	-
27	TOTAL GROSS ADDITIONS	229,574	364,528	1,320,011	173,625	170,658
28	LESS INTEREST CAPITALIZED	2,972	1,332	26,021	-	447
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	226,602	363,196	1,293,990	173,625	170,211
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	6,000	6,000	6,000	6,000	8,200
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	13,750	200	-	171,050	23,400
34	OTHER (NET):	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	19,750	6,200	6,000	177,050	31,600
37	OTHER USES (NET)	391,683	358,252	28,732	157,087	84,854
38						
39						
40	TOTAL FUNDS APPLIED	$ 638,035	$ 727,648	$ 1,328,722	$ 507,762	$ 286,665

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

ONTARIO TELEPHONE COMPANY, INCORPORATED

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 371,676 $	359,811 $	353,784 $	346,627 $	343,071	1
ACCESS REVENUES	829,086					2
TOLL REVENUES	296,154	1,245,422	982,067	787,725	651,358	3
MISCELLANEOUS REVENUES	323,336	129,108	99,832	89,863	73,922	4
UNCOLLECTIBLE REVENUES-DR	4,000	16,000	8,000	6,500	8,800	5
TOTAL TELEPHONE OPERATING REVENUE	$ 1,816,252 $	1,718,341 $	1,427,683 $	1,217,715 $	1,059,551	6
TELEPHONE ACCESS LINES IN SERVICE	3,461	3,353	3,230	3,169	3,119	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 109.09	$ 109.32	$ 110.57	$ 110.25	$ 111.03	8
ACCESS REVENUE	243.36					9
TOLL REVENUE	86.93	378.38	306.95	250.55	210.80	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 382,528 $	324,172 $	301,692 $	276,575 $	228,851	11
DEPRECIATION + AMORTIZATION EXPENSES	202,633	201,815	165,624	148,959	149,372	12
TRAFFIC EXPENSES	37,782	16,583	16,599	16,921	15,106	13
COMMERCIAL EXPENSES	158,877	138,123	140,809	132,813	124,789	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	199,282	174,686	150,032	129,784	109,382	16
OTHER OPERATING EXPENSES	108,135	78,308	73,898	100,523	71,291	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,080,027 $	944,636 $	848,654 $	805,355 $	698,791	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 4,085,904 $	3,900,673 $	3,880,539 $	2,565,104 $	2,451,200	19
PLANT UNDER CONSTRUCTION	47,911	54,890	8,444	31,102	1,474	20
PROPERTY HELD FOR FUTURE USE	-	-	-	1,000	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	4,133,815	3,955,563	3,888,983	2,597,206	2,452,674	24
ACCUMULATED PROVISION FOR DEPR+AMORT	1,505,771	1,309,785	1,339,804	1,176,210	1,031,418	25
NET TELEPHONE PLANT	$ 2,628,044 $	2,645,778 $	2,549,179 $	1,420,996 $	1,421,256	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 3,900,673 $	3,880,539 $	2,565,104 $	2,451,200 $	2,350,657	27
ADDITIONS	216,307	305,131	1,335,502	133,202	170,430	28
RETIREMENTS	31,076	284,997	20,067	19,298	69,887	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 4,085,904 $	3,900,673 $	3,880,539 $	2,565,104 $	2,451,200	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

ONTARIO TELEPHONE COMPANY, INCORPORATED

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,816,252	$ 1,718,341	$ 1,427,683	$ 1,217,715	$ 1,059,551
2	ACCESS LINES (AVERAGE*)	3,407	3,292	3,200	3,144	3,090
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 579,675	$ 514,542	$ 438,252	$ 421,857	$ 361,917
4	OTHER OPERATION AND MAINTENANCE EXPENSES	307,719	228,279	244,778	234,530	185,502
5	DEPRECIATION AND AMORTIZATION EXPENSES	202,633	201,615	165,824	148,968	149,372
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	203,286	224,510	162,278	75,218	59,300
8	OTHER TAXES - OPERATING	187,249	173,512	138,913	134,474	110,684
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	36,181	38,569	31,696	38,193	42,994
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	7,428	7,472	6,770	7,500	7,481
11	EARNINGS AVAILABLE FOR COMMON EQUITY	292,082	329,642	239,170	156,975	142,301
12	TOTAL	$ 1,816,252	$ 1,718,341	$ 1,427,683	$ 1,217,715	$ 1,059,551
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	31.9	29.9	30.7	34.6	34.2
14	OTHER OPERATION AND MAINTENANCE EXPENSES	16.9	13.3	17.1	19.3	17.5
15	DEPRECIATION AND AMORTIZATION EXPENSES	11.2	11.7	11.6	12.2	14.1
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	11.2	13.1	11.4	6.2	5.6
18	OTHER TAXES - OPERATING	10.3	10.1	9.7	11.0	10.4
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.0	2.2	2.2	3.1	4.1
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.4	0.4	0.5	0.6	0.7
21	EARNINGS AVAILABLE FOR COMMON EQUITY	16.1	19.2	16.8	12.9	13.4
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 14.18	$ 13.03	$ 11.41	$ 11.18	$ 9.76
24	OTHER OPERATION AND MAINTENANCE EXPENSES	7.53	5.78	6.38	6.22	5.00
25	DEPRECIATION AND AMORTIZATION EXPENSES	4.96	5.11	4.32	3.95	4.03
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	4.97	5.68	4.23	1.99	1.60
28	OTHER TAXES - OPERATING	4.58	4.39	3.62	3.56	2.99
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	0.88	0.98	0.83	1.01	1.16
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.18	0.19	0.18	0.20	0.20
31	EARNINGS AVAILABLE FOR COMMON EQUITY	7.14	8.35	6.23	4.16	3.84
32	TOTAL	$ 44.42	$ 43.50	$ 37.19	$ 32.28	$ 28.57

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

PATTERSONVILLE TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 1,692,540	$ 1,997,231	$ 1,897,908	$ 1,831,491	$ 1,784,304
2	ACCUMULATED PROVISION FOR DEPR+AMORT	772,678	1,002,327	913,260	836,250	786,359
3	NET TELEPHONE PLANT	919,862	994,904	984,648	995,241	997,945
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	103,850	41,946	2,629	-	-
7	OTHER INVESTMENTS AND FUNDS	12,225	7,225	4,225	19,500	19,500
8	TOTAL INVESTMENTS AND FUNDS	116,075	49,171	6,854	19,500	19,500
9	CASH AND WORKING FUNDS	2,337	8,086	12,697	4,863	900
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	289,319	284,230	150,173	124,258	60,281
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	82,347	27,881	39,673	17,236	24,473
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	13,507	18,060	16,380	11,316	17,148
15	MATERIALS AND SUPPLIES*	39,196	37,783	35,225	33,425	30,321
16	PREPAYMENTS	38,958	28,790	32,783	28,114	24,800
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	463,624	404,819	286,891	216,999	177,321
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	12,092	12,809	13,491	14,102	14,714
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	1,212
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	30	-	-	-	-
23	TOTAL DEFERRED DEBITS	12,122	12,809	13,491	14,102	15,926
24	TOTAL ASSETS AND OTHER DEBITS	1,511,683 $	1,461,703 $	1,291,884 $	1,245,842 $	1,210,692
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 96,000	$ 96,000	$ 96,000	$ 96,000	$ 96,000
26	PREFERRED CAPITAL STOCK	30,800	42,000	42,500	45,000	45,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	623,621	511,318	408,882	344,051	303,385
34	TOTAL PROPRIETARY CAPITAL	750,421	649,318	547,382	485,051	444,385
35	BONDS(LESS BONDS REACQUIRED)	549,085	578,029	602,306	642,786	667,498
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	549,085	578,029	602,306	642,786	667,498
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	32,030	72,872	15,690	17,188	10,158
41	CUSTOMERS DEPOSITS	3,627	11,252	12,431	12,905	13,235
42	ADVANCE BILLING AND PAYMENTS	9,089	8,120	8,431	10,321	9,554
43	TAXES ACCRUED	3,340	15,505	9,883	3,468	1,475
44	OTHER CURRENT AND ACCRUED LIABILITIES	12,212	11,044	13,719	8,532	7,033
45	TOTAL CURRENT AND ACCRUED LIABILITIES	60,298	118,793	60,154	52,414	41,455
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	69,813	67,450	59,419	55,984	54,061
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	69,813	67,450	59,419	55,984	54,061
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	82,098	90,113	22,623	9,628	3,315
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,511,683 $	1,461,703 $	1,291,884 $	1,245,842 $	1,210,692
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.59	2.21	2.56	2.84	2.94
54	CURRENT ASSETS/CURRENT LIABILITIES	7.69	3.41	4.77	4.14	4.28
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	42.2	47.0	52.3	56.9	60.0
56	PREFERRED STOCK	2.3	3.4	3.6	3.9	4.0
57	COMMON STOCK+OTHER PAID-IN CAPITAL	7.3	7.8	8.3	8.5	8.6
58	RETAINED EARNINGS	47.9	41.7	35.5	30.5	27.2
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	32.4	28.8	31.7	35.0	37.4
60	PERCENT OF NET TELEPHONE PLANT	59.6	57.8	61.1	64.5	66.8
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	45.6	50.1	48.1	45.6	44.0

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

PATTERSONVILLE TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES $	711,453 $	880,195 $	729,635 $	636,401 $	578,433	1
OPERATION AND MAINTENANCE EXPENSE	454,355	515,841	459,351	421,881	383,502	2
EXTRAORDINARY RETIREMENTS	-	-	-	1,212	1,454	3
DEPRECIATION	102,457	108,978	93,910	87,987	81,270	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	76,012	87,931	76,926	62,158	56,805	6
INCOME TAXES-OPERATING	4,883	25,189	6,682	1,992	6,665	7
OPERATING INCOME TAXES DEFERRED	18,422	23,026	12,998	6,312	3,315	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	-	-	-	-	9
TOTAL OPERATING EXPENSES	656,129	760,765	649,867	581,322	533,001	10
TOTAL TELEPHONE OPERATING INCOME	55,324	119,430	79,768	55,079	45,432	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	27,298	24,075	13,804	13,083	7,164	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	1,396	634	3,332	3,574	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	96,731	13,432	7,997	7,058	5,452	17
TOTAL OTHER INCOME	124,029	38,903	22,435	23,471	16,190	18
TOTAL INCOME	179,353	158,333	102,203	78,550	61,622	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	34,857	20,146-	3,848	2,707	32	21
MISCELLANEOUS INCOME CHARGES	99	80,258	-	95	751-	22
TOTAL INCOME DEDUCTIONS	34,956	60,112	3,848	2,802	719-	23
INCOME BEFORE INTEREST CHARGES	144,397	98,221	98,355	75,748	62,341	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	15,611	16,214	17,353	18,279	13,053	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	717	662	612	612	612	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	781	1,287	1,399	1,951	2,669	29
TOTAL INTEREST CHARGES	17,109	18,163	19,364	20,842	16,334	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	127,288	80,058	78,991	54,906	46,007	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	64,722	-	-	12,757	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	21,569	-	-	1,535	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	43,153	-	-	11,222	35
NET INCOME $	127,288 $	123,211 $	78,991 $	54,906 $	57,229	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR $	511,318 $	408,882 $	344,051 $	303,365 $	258,526	37
BALANCE TRANSFERRED FROM INCOME	127,288	123,211	78,991	54,906	57,229	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	2,505	2,535	2,640	2,700	1,350	42
-COMMON STOCK	12,480	18,240	11,520	11,520	11,040	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	623,621	511,318	408,882	344,051	303,365	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR $	623,621 $	511,318 $	408,882 $	344,051 $	303,365	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	63.8	58.5	62.9	66.2	66.3	47
EXTRAORDINARY RETIREMENTS	-	-	-	0.1	0.2	48
DEPRECIATION AND AMORTIZATION	14.4	12.3	12.8	13.8	14.0	49
TOTAL INCOME TAXES-OPERATING	3.3	5.5	2.7	1.3	1.7	50
OTHER TAXES-OPERATING	10.6	9.9	10.5	9.7	9.8	51
TOTAL OPERATING EXPENSES	92.2	86.4	89.0	91.3	92.1	52
OPERATING INCOME	7.7	13.5	10.9	8.6	7.8	53
DEPR. AND AMORT % OF TELEPHONE PLANT	6.0	5.4	4.9	4.8	4.5	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	2.4	2.1	2.7	3.3	2.8	55
PRETAX INTEREST COVERAGE	11.1	6.5	5.9	3.9	4.1	56
NET INCOME-PERCENT OF OPERATING REVENUES	17.8	13.9	10.8	8.6	9.8	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.3	0.2	0.3	0.4	0.2	58
TIMES EARNED	50.8	48.6	29.9	20.3	42.4	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	1.7	2.0	1.5	1.8	1.9	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	10.0	15.1	15.0	22.0	19.7	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	18.8	21.7	16.1	12.4	14.8	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	1.8	3.2	2.4	2.7	2.9	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

PATTERSONVILLE TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 127,288	$ 58,489	$ 78,991	$ 54,906	$ 46,007
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	134,418	118,510	101,690	95,215	87,785
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	34,346	35,521	16,451	8,215	10,044
4	INTEREST CAPITALIZED	-	1,396-	634-	3,332-	3,573-
5	OTHER (NET)	14,398	1,226	-	2,667	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	310,450	212,350	196,498	157,671	140,263
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	64,722	-	-	11,222
9	TOTAL FUNDS FROM INTERNAL SOURCES	310,450	277,072	196,498	157,671	151,485
10	LESS DIVIDENDS PREFERRED	2,505	2,535	2,640	2,700	1,350
11	COMMON	12,480	18,240	11,520	11,520	11,040
12	NET FUNDS FROM INTERNAL SOURCES	295,465	256,297	182,338	143,451	139,095
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	104,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	15,275	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	15,275	-	104,000
20	OTHER SOURCES (NET)	-	-	6,166	310	3,282
21						
22						
23	TOTAL FUNDS PROVIDED	$ 295,465	$ 256,297	$ 203,779	$ 143,761	$ 246,377
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 103,193	$ 129,992	$ 97,263	$ 95,178	$ 185,496
25	NON-UTILITY PLANT	32,485	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	135,678	129,992	97,263	95,178	185,496
28	LESS INTEREST CAPITALIZED	-	1,396	634	3,332	3,573
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	135,678	128,596	96,629	91,846	181,923
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	26,944	28,277	40,479	24,711	24,227
31	PREFERRED STOCK	11,200	500	2,500	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	38,144	28,777	42,979	24,711	24,227
37	OTHER USES (NET)	121,643	100,924	64,171	27,204	40,227
38						
39						
40	TOTAL FUNDS APPLIED	$ 295,465	$ 256,297	$ 203,779	$ 143,761	$ 246,377

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

PATTERSONVILLE TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 355,215	$ 519,186	$ 438,168	$ 402,697	$ 397,142	1
ACCESS REVENUES	150,442					2
TOLL REVENUES	154,640	328,761	254,301	204,576	160,551	3
MISCELLANEOUS REVENUES	52,356	35,848	42,766	31,228	23,315	4
UNCOLLECTIBLE REVENUES-DR	1,200	3,600	5,600	2,100	2,575	5
TOTAL TELEPHONE OPERATING REVENUE	$ 711,453	$ 880,195	$ 729,635	$ 636,401	$ 578,433	6
TELEPHONE ACCESS LINES IN SERVICE	1,087	1,089	1,040	977	955	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 329.51	$ 492.35	$ 434.47	$ 416.87	$ 421.15	8
ACCESS REVENUE	139.56					9
TOLL REVENUE	143.45	311.77	252.16	211.78	170.28	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 112,836	$ 181,352	$ 162,647	$ 157,137	$ 128,006	11
DEPRECIATION + AMORTIZATION EXPENSES	102,457	108,978	93,910	89,199	82,724	12
TRAFFIC EXPENSES	17,696	19,480	16,894	12,651	9,653	13
COMMERCIAL EXPENSES	29,756	42,700	38,675	35,556	29,441	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	178,283	165,013	141,315	131,777	128,899	16
OTHER OPERATING EXPENSES	115,784	107,096	99,820	84,540	89,503	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 556,812	$ 624,619	$ 553,261	$ 510,860	$ 468,226	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 1,690,610	$ 1,970,468	$ 1,871,626	$ 1,820,874	$ 1,712,985	19
PLANT UNDER CONSTRUCTION	1,930	26,763	26,282	10,617	71,319	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	1,692,540	1,997,231	1,897,908	1,831,491	1,784,304	24
ACCUMULATED PROVISION FOR DEPR+AMORT	772,678	1,002,327	913,260	836,250	786,359	25
NET TELEPHONE PLANT	$ 919,862	$ 994,904	$ 984,648	$ 995,241	$ 997,945	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 1,970,468	$ 1,871,626	$ 1,820,874	$ 1,712,985	$ 1,617,431	27
ADDITIONS	128,026	129,511	81,599	155,881	114,177	28
RETIREMENTS	407,884	30,669	30,847	47,991	18,623	29
TRANSFERS AND ADJUSTMENTS	-	-	-	3-	-	30
PLANT IN SERVICE END OF YEAR	$ 1,690,610	$ 1,970,468	$ 1,871,626	$ 1,820,874	$ 1,712,985	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

PATTERSONVILLE TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 711,453	$ 880,195	$ 729,635	$ 636,401	$ 578,433
2	ACCESS LINES (AVERAGE*)	1,078	1,055	1,009	966	943
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 254,938	$ 246,783	$ 228,024	$ 217,143	$ 204,757
4	OTHER OPERATION AND MAINTENANCE EXPENSES	199,417	268,858	231,327	204,518	178,745
5	DEPRECIATION AND AMORTIZATION EXPENSES	102,457	108,978	93,910	87,987	81,270
6	EXTRAORDINARY RETIREMENTS	-	-	-	1,212	1,454
7	INCOME TAXES - OPERATING	23,306	48,215	19,678	8,304	9,970
8	OTHER TAXES - OPERATING	76,012	87,931	76,928	62,158	56,805
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	17,109	17,924	19,223	19,682	15,226
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	2,505	2,497	2,618	2,530	1,236
11	EARNINGS AVAILABLE FOR COMMON EQUITY	35,710	99,009	57,927	32,867	28,970
12	TOTAL	$ 711,453	$ 880,195	$ 729,635	$ 636,401	$ 578,433
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	35.8	28.0	31.3	34.1	35.4
14	OTHER OPERATION AND MAINTENANCE EXPENSES	32.8	30.5	31.7	32.1	30.9
15	DEPRECIATION AND AMORTIZATION EXPENSES	14.4	12.4	12.9	13.8	14.1
16	EXTRAORDINARY RETIREMENTS	-	-	-	0.2	0.3
17	INCOME TAXES - OPERATING	3.3	5.5	2.7	1.3	1.7
18	OTHER TAXES - OPERATING	10.7	10.0	10.5	9.8	9.8
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.4	2.0	2.6	3.1	2.6
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.4	0.3	0.4	0.4	0.2
21	EARNINGS AVAILABLE FOR COMMON EQUITY	5.0	11.2	7.9	5.2	5.0
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 19.71	$ 19.50	$ 18.84	$ 18.73	$ 18.09
24	OTHER OPERATION AND MAINTENANCE EXPENSES	15.42	21.25	19.11	17.64	15.80
25	DEPRECIATION AND AMORTIZATION EXPENSES	7.92	8.61	7.76	7.59	7.18
26	EXTRAORDINARY RETIREMENTS	-	-	-	0.10	0.13
27	INCOME TAXES - OPERATING	1.80	3.81	1.63	0.72	0.88
28	OTHER TAXES - OPERATING	5.88	6.95	6.36	5.36	5.07
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1.32	1.42	1.59	1.70	1.35
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.19	0.20	0.22	0.22	0.11
31	EARNINGS AVAILABLE FOR COMMON EQUITY	2.76	7.82	4.79	2.84	2.56
32	TOTAL	$ 56.00	$ 69.56	$ 60.29	$ 54.90	$ 51.12

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

PORT BYRON TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 4,034,391	$ 3,568,842	$ 3,406,838	$ 3,391,052	$ 3,270,008
2	ACCUMULATED PROVISION FOR DEPR+AMORT	1,599,919	1,275,039	1,115,131	1,007,410	843,110
3	NET TELEPHONE PLANT	2,434,472	2,293,803	2,291,505	2,383,642	2,426,898
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	-	-	-	-	-
9	CASH AND WORKING FUNDS	78,353	81,730	47,135	25,605	32,255
10	SPECIAL CASH DEPOSITS	450	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	1,302	128,921	68,771	20,898	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	371,365	82,864	41,355	46,894	41,876
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	154,527	161,568	135,034	102,861	82,901
15	MATERIALS AND SUPPLIES*	43,750	71,651	24,971	29,455	27,600
16	PREPAYMENTS	66,738	59,843	56,115	61,276	51,224
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	714,485	586,577	373,381	286,989	235,856
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	8,259	8,589	8,919	9,249	9,579
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	17,472	19,968	22,464	24,960	27,456
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	-	-	-	-	1,491
23	TOTAL DEFERRED DEBITS	25,731	28,557	31,383	34,209	38,526
24	TOTAL ASSETS AND OTHER DEBITS	3,174,688 $	2,908,937 $	2,698,269 $	2,704,840 $	2,701,278
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 61,515	$ 61,515	$ 61,515	$ 61,515	$ 61,515
26	PREFERRED CAPITAL STOCK	113,300	113,300	118,300	122,500	122,500
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	5,390	5,390	2,890	1,000	1,000
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	419,130	148,768	170,304	238,560	268,608
34	TOTAL PROPRIETARY CAPITAL	599,335	328,973	353,009	423,575	453,623
35	BONDS(LESS BONDS REACQUIRED)	1,912,469	1,951,954	1,987,102	2,010,371	2,040,130
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	1,912,469	1,951,954	1,987,102	2,010,371	2,040,130
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	3,970
40	OTHER NOTES AND ACCOUNTS PAYABLE	567,614	537,624	183,205	167,957	128,102
41	CUSTOMERS DEPOSITS	-	-	-	-	-
42	ADVANCE BILLING AND PAYMENTS	20,433	25,246	51,269	12,545	12,519
43	TAXES ACCRUED	6,280	3,346	11-	3,345	303-
44	OTHER CURRENT AND ACCRUED LIABILITIES	35,302	32,820	91,318	49,869	29,606
45	TOTAL CURRENT AND ACCRUED LIABILITIES	629,629	599,036	325,781	233,716	179,894
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	1,092	1,487	1,882	2,672	2,672
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	1,092	1,487	1,882	2,672	2,672
50	OPERATING RESERVES	32,163	27,487	24,766	24,975	15,428
51	ACCUMULATED DEFERRED INCOME TAXES	-	-	3,731	9,531	9,531
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,174,688	$ 2,908,937	$ 2,698,269	$ 2,704,840	$ 2,701,278
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.40	2.75	2.99	2.99	3.02
54	CURRENT ASSETS/CURRENT LIABILITIES	1.13	0.98	1.15	1.23	1.31
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	76.1	85.5	84.9	82.5	81.8
56	PREFERRED STOCK	4.5	4.9	5.0	5.0	4.9
57	COMMON STOCK+OTHER PAID-IN CAPITAL	2.6	2.9	2.7	2.5	2.5
58	RETAINED EARNINGS	16.6	6.5	7.2	9.8	10.7
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	47.4	54.6	58.3	59.2	62.3
60	PERCENT OF NET TELEPHONE PLANT	78.5	85.0	86.7	84.3	84.0
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	39.6	35.7	32.7	29.7	25.7

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

PORT BYRON TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,586,603	$ 1,267,283	$ 1,135,137	$ 1,114,637	$ 1,071,108	1
OPERATION AND MAINTENANCE EXPENSE	855,874	803,634	716,555	723,416	632,153	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	207,866	191,539	180,340	182,306	163,456	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	204,073	183,320	167,724	151,167	133,126	6
INCOME TAXES-OPERATING	395-	395-	395-	-	395-	7
OPERATING INCOME TAXES DEFERRED	-	-	-	-	-	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	3,731-	3,000-	-	3,228-	9
TOTAL OPERATING EXPENSES	1,267,418	1,174,367	1,061,224	1,056,889	925,112	10
TOTAL TELEPHONE OPERATING INCOME	319,185	92,916	73,913	57,748	145,996	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	33	95	30	28	114	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	13,668	25,523	14,373	15,477	4,483	17
TOTAL OTHER INCOME	13,701	25,618	14,403	15,505	4,597	18
TOTAL INCOME	332,886	118,534	88,316	73,253	150,593	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	1,407	1,341	2,067	1,837	1,482	22
TOTAL INCOME DEDUCTIONS	1,407	1,341	2,067	1,837	1,482	23
INCOME BEFORE INTEREST CHARGES	331,479	117,193	86,249	71,416	149,111	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	96,380	98,496	99,860	101,200	87,231	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	330	330	330	330	330	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	35,604	26,373	12,921	19,416	86,831	29
TOTAL INTEREST CHARGES	132,314	125,199	113,111	120,946	174,392	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	199,165	8,006-	26,862-	49,530-	25,281-	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	80,222	1,140	6,325	29,243	48,081	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	5,470-	41,319-	93-	1,982-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	80,222	4,330-	34,993-	29,150	46,099	35
NET INCOME	$ 279,387	$ 12,336-	$ 61,855-	$ 20,380-	$ 20,818	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 148,768	$ 170,304	$ 241,755	$ 268,608	$ 257,564	37
BALANCE TRANSFERRED FROM INCOME	279,387	12,336-	61,855-	20,380-	20,819	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	7,931	8,106	8,502	8,575	8,680	42
-COMMON STOCK	1,094	1,094	1,094	1,093	1,094	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	419,130	148,768	170,304	238,560	268,609	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 419,130	$ 148,768	$ 170,304	$ 238,560	$ 268,608	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	53.9	63.4	63.1	64.9	59.0	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	13.1	15.1	15.8	16.3	15.2	49
TOTAL INCOME TAXES-OPERATING	-	0.2-	0.2-	-	0.2-	50
OTHER TAXES-OPERATING	12.8	14.4	14.7	13.5	12.4	51
TOTAL OPERATING EXPENSES	79.8	92.6	93.4	94.8	86.3	52
OPERATING INCOME	20.1	7.3	6.5	5.1	13.6	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.1	5.3	5.2	5.3	4.9	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	8.3	9.9	10.0	10.9	16.3	55
PRETAX INTEREST COVERAGE	2.5	0.9	0.7	0.6	0.8	56
NET INCOME-PERCENT OF OPERATING REVENUES	17.6	-	-	-	1.9	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	0.4	0.6	0.7	0.7	0.8	58
TIMES EARNED	35.2	-	-	-	2.4	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	0.1	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	0.4	-	-	-	9.0	61
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	77.3	-	-	-	3.7	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	0.3	0.4	0.4	0.3	0.3	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

PORT BYRON TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 199,166	$ 8,008-	$ 26,862-	$ 49,530-	$ 25,281-
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	210,692	183,059	195,190	202,149	168,541
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	395-	4,128-	3,395-	-	3,623-
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	35,950	30,211	49,484	-	20,243
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	445,413	201,138	214,417	152,619	159,880
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	80,222	4,330-	34,993-	29,150	46,099
9	TOTAL FUNDS FROM INTERNAL SOURCES	525,635	196,808	179,424	181,769	205,979
10	LESS DIVIDENDS: PREFERRED	7,931	8,106	8,502	8,575	8,680
11	COMMON	1,094	1,094	1,094	1,093	1,094
12	NET FUNDS FROM INTERNAL SOURCES	516,610	187,608	169,828	172,101	196,205
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	8,000	-	359,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	55,000	115,000	55,000	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	55,000	115,000	63,000	-	359,000
20	OTHER SOURCES (NET)	-	-	-	33,018	10,515
21						
22						
23	TOTAL FUNDS PROVIDED	$ 571,610	$ 302,608	$ 232,828	$ 205,119	$ 565,720
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 375,964	$ 210,019	$ 86,483	$ 165,308	$ 86,355
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	375,964	210,019	86,483	165,308	86,355
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	375,964	210,019	86,483	165,308	86,355
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	39,485	35,148	31,269	29,759	28,343
31	PREFERRED STOCK		2,500	2,310	-	1,700
32	REDEMPTION OF CAPITAL STOCK		-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT		-	-	-	358,000
34	OTHER (NET)		-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	39,485	37,648	33,579	29,759	388,043
37	OTHER USES (NET)	156,161	54,941	112,766	10,052	91,322
38						
39						
40	TOTAL FUNDS APPLIED	$ 571,610	$ 302,608	$ 232,828	$ 205,119	$ 565,720

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

PORT BYRON TELEPHONE COMPANY

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	683,498 $	484,603 $	471,915 $	478,128 $	468,595	1
ACCESS REVENUES		280,741					2
TOLL REVENUES		553,290	743,416	647,743	602,835	592,763	3
MISCELLANEOUS REVENUES		97,202	43,625	42,710	41,189	25,787	4
UNCOLLECTIBLE REVENUES-DR		8,129	4,361	27,231	7,513	16,037	5
TOTAL TELEPHONE OPERATING REVENUE	$	1,586,602 $	1,267,283 $	1,135,137 $	1,114,637 $	1,071,108	6
TELEPHONE ACCESS LINES IN SERVICE		2,522	2,501	2,411	2,383	3,355	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 272.15	$ 197.31	$ 196.88	$ 168.65	$ 139.57	8
ACCESS REVENUE		103.82					9
TOLL REVENUE		220.30	302.69	270.23	210.12	176.55	10

*YEAR END AVERAGE

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	187,402 $	182,483 $	158,858 $	167,055 $	140,696	11
DEPRECIATION + AMORTIZATION EXPENSES		207,866	191,539	180,340	182,306	163,456	12
TRAFFIC EXPENSES		54,894	61,785	11,811	12,424	10,898	13
COMMERCIAL EXPENSES		73,630	66,359	74,001	65,183	57,175	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		276,338	267,712	237,362	241,011	258,468	16
OTHER OPERATING EXPENSES		263,610	225,295	234,523	237,743	164,916	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	1,063,740 $	995,173 $	896,895 $	905,722 $	795,609	18
TELEPHONE UTILITY PLANT							
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	3,980,639 $	3,526,848 $	3,369,384 $	3,302,331 $	3,223,309	19
PLANT UNDER CONSTRUCTION		28,702	16,944	12,202	63,671	21,647	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		25,050	25,050	25,050	25,050	25,050	22
PLANT ADJUSTMENTS		-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT		4,034,391	3,568,842	3,406,636	3,391,052	3,270,006	24
ACCUMULATED PROVISION FOR DEPR+AMORT		1,599,919	1,275,039	1,115,131	1,007,410	843,110	25
NET TELEPHONE PLANT	$	2,434,472 $	2,293,803 $	2,291,505 $	2,383,642 $	2,426,896	26
PLANT IN SERVICE BEGINNING OF YEAR	$	3,526,848 $	3,369,385 $	3,302,331 $	3,223,309 $	3,148,099	27
ADDITIONS		384,204	205,277	137,952	123,284	92,857	28
RETIREMENTS		45,771	47,814	26,575	44,262	17,646	29
TRANSFERS AND ADJUSTMENTS		135,358	-	44,324-	-	-	30
PLANT IN SERVICE END OF YEAR	$	3,980,639 $	3,526,848 $	3,369,384 $	3,302,331 $	3,223,309	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

PORT BYRON TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,586,603	$ 1,267,283	$ 1,135,137	$ 1,114,637	$ 1,071,108
2	ACCESS LINES (AVERAGE*)	2,512	2,456	2,397	2,869	3,358
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 425,159	$ 375,637	$ 338,989	$ 309,987	$ 272,052
4	OTHER OPERATION AND MAINTENANCE EXPENSES	430,715	427,987	377,566	413,449	360,101
5	DEPRECIATION AND AMORTIZATION EXPENSES	207,886	191,538	180,340	182,308	163,456
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	385-	4,128-	3,395-	-	3,623-
8	OTHER TAXES - OPERATING	204,073	183,320	167,724	151,167	133,126
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	132,314	125,199	113,111	120,946	174,392
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	7,931	8,108	8,502	8,575	8,880
11	EARNINGS AVAILABLE FOR COMMON EQUITY	178,940	40,389-	47,700-	71,773-	37,076-
12	TOTAL	$ 1,586,603	$ 1,267,283	$ 1,135,137	$ 1,114,637	$ 1,071,108
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	26.8	29.6	29.9	27.8	25.4
14	OTHER OPERATION AND MAINTENANCE EXPENSES	27.1	33.8	33.3	37.1	33.6
15	DEPRECIATION AND AMORTIZATION EXPENSES	13.1	15.1	15.9	16.4	15.3
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	-	0.2-	0.2-	-	0.2-
18	OTHER TAXES - OPERATING	12.9	14.5	14.8	13.6	12.4
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8.3	9.9	10.0	10.9	16.3
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.5	0.6	0.7	0.8	0.8
21	EARNINGS AVAILABLE FOR COMMON EQUITY	11.3	3.1-	4.1-	6.3-	3.4-
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 14.11	$ 12.75	$ 11.79	$ 9.00	$ 6.75
24	OTHER OPERATION AND MAINTENANCE EXPENSES	14.29	14.52	13.13	12.01	8.94
25	DEPRECIATION AND AMORTIZATION EXPENSES	6.90	6.50	6.27	5.30	4.06
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	-	0.13-	0.11-	-	0.08-
28	OTHER TAXES - OPERATING	6.77	6.22	5.83	4.39	3.30
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.39	4.25	3.93	3.51	4.33
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.26	0.28	0.30	0.25	0.22
31	EARNINGS AVAILABLE FOR COMMON EQUITY	5.94	1.38-	1.66-	2.07-	0.91-
32	TOTAL	$ 52.64	$ 43.00	$ 39.46	$ 32.38	$ 26.58

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

ROCHESTER TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 614,287,198	$ 564,800,288	$ 539,727,346	$ 519,970,230	$ 506,307,180
2	ACCUMULATED PROVISION FOR DEPR+AMORT	204,129,053	191,732,627	173,109,631	155,617,504	148,187,179
3	NET TELEPHONE PLANT	410,158,145	373,067,661	366,617,715	364,352,726	358,120,001
4	INVESTMENTS IN AFFILIATED COMPANIES	49,597,474	41,094,084	33,038,179	33,061,415	23,086,651
5	ADVANCES TO AFFILIATED COMPANIES	2,350,000	1,600,000	2,175,000	4,790,000	2,525,000
6	MISCELLANEOUS PHYSICAL PROPERTY	1,409,804	455,252	336,852	243,140	198,781
7	OTHER INVESTMENTS AND FUNDS	349,597-	1,000	289,553	210,921	198,771
8	TOTAL INVESTMENTS AND FUNDS	53,007,681	43,150,336	35,839,584	38,305,476	26,009,203
9	CASH AND WORKING FUNDS	918,824	967,216	986,286	479,947	962,597
10	SPECIAL CASH DEPOSITS	46,007	28,688	96,236	11,608	3,607
11	TEMPORARY CASH INVESTMENTS	7,547,887	24,701,018	13,549,508	-	6,763,111
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	1,850,082	1,002,793	1,053,276	597,866	1,032,393
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	8,529,631	9,101,917	2,861,403	2,804,191	1,767,595
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	26,847,601	23,156,446	24,757,378	24,558,932	21,945,935
15	MATERIALS AND SUPPLIES*	4,866,464	2,961,269	2,899,890	3,896,293	4,631,187
16	PREPAYMENTS	10,485,568	9,431,905	9,149,792	8,632,404	5,488,263
17	OTHER CURRENT AND ACCRUED ASSETS	22,624	590,776	408,413	278,755	208,123
18	TOTAL CURRENT AND ACCRUED ASSETS	61,114,668	71,942,028	55,762,582	41,259,996	42,800,811
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	928,296	986,798	1,048,811	1,113,713	1,186,010
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	1,660	-
22	OTHER DEFERRED DEBITS	6,241,987	4,905,425	4,251,661	3,402,962	3,564,204
23	TOTAL DEFERRED DEBITS	7,170,283	5,892,223	5,300,472	4,518,335	4,750,214
24	TOTAL ASSETS AND OTHER DEBITS	531,450,777	$ 494,052,248	$ 463,520,353	$ 448,436,533	$ 431,680,229
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 25,517,043	$ 25,508,038	$ 25,461,648	$ 25,377,368	$ 25,187,455
26	PREFERRED CAPITAL STOCK	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	57,624,565	57,550,811	57,170,486	56,479,590	54,922,362
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	37,544-	41,792-	-	-	-
33	RETAINED EARNINGS	179,535,383	162,834,852	151,087,594	141,834,538	132,786,040
34	TOTAL PROPRIETARY CAPITAL	282,639,447	265,851,909	253,719,727	243,691,496	232,895,857
35	BONDS(LESS BONDS REACQUIRED)	130,280,000	130,493,000	131,015,000	132,148,000	134,096,000
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	130,280,000	130,493,000	131,015,000	132,148,000	134,096,000
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	9,452,336	9,906,519	858,125	438,263	321,209
40	OTHER NOTES AND ACCOUNTS PAYABLE	30,476,839	24,477,682	16,348,919	18,274,859	21,051,189
41	CUSTOMERS' DEPOSITS	1,211,537	1,425,475	1,844,383	1,827,734	1,537,175
42	ADVANCE BILLING AND PAYMENTS	8,781,932	8,298,409	7,632,305	7,656,435	7,000,699
43	TAXES ACCRUED	10,817,914	9,100,398	10,855,983	9,348,688	9,192,291
44	OTHER CURRENT AND ACCRUED LIABILITIES	11,056,409	10,369,217	11,716,286	12,821,350	8,676,576
45	TOTAL CURRENT AND ACCRUED LIABILITIES	71,796,986	63,577,680	49,255,001	50,967,529	47,779,139
46	UNAMORTIZED PREMIUM ON DEBT	1,691	2,852	4,040	5,460	6,851
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	18,163,900	14,092,100	11,702,800	9,948,000	7,881,200
48	OTHER DEFERRED CREDITS	2,052,847	1,203,924	1,159,622	707,759	1,888,142
49	TOTAL DEFERRED CREDITS	20,218,438	15,298,876	12,866,462	10,661,219	9,776,193
50	OPERATING RESERVES	339,337	61,707	31,122	632,866	55,013
51	ACCUMULATED DEFERRED INCOME TAXES	26,176,569	18,769,076	16,633,041	10,335,423	7,078,027
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 531,450,777	$ 494,052,248	$ 463,520,353	$ 448,436,533	$ 431,680,229
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.47	2.42	2.48	2.56	2.65
54	CURRENT ASSETS/CURRENT LIABILITIES	0.85	1.13	1.13	0.81	0.90
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	31.5	32.9	34.0	35.1	36.5
56	PREFERRED STOCK	4.8	5.0	5.1	5.3	5.4
57	COMMON STOCK+OTHER PAID-IN CAPITAL	20.1	20.9	21.4	21.7	21.8
58	RETAINED EARNINGS	43.4	41.0	39.2	37.7	36.1
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	21.2	23.1	24.2	25.4	26.4
60	PERCENT OF NET TELEPHONE PLANT	31.7	34.9	35.7	36.2	37.4
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	33.2	33.9	32.0	29.9	29.2

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

ROCHESTER TELEPHONE CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 238,282,359 $	228,053,641 $	213,330,532 $	200,827,052 $	184,825,587	1
OPERATION AND MAINTENANCE EXPENSE	90,689,085	90,589,382	87,097,420	84,908,957	75,288,183	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	39,491,998	33,900,144	29,745,055	28,186,894	27,724,541	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	26,456,150	29,601,063	28,337,081	25,632,243	23,013,925	6
INCOME TAXES-OPERATING	30,259,188	31,810,968	22,844,480	20,584,148	19,211,379	7
OPERATING INCOME TAXES DEFERRED	8,382,895	3,065,000	6,033,000	3,864,200	1,695,000	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	1,088,452-	938,985-	257,718	605,804-	212,328-	9
TOTAL OPERATING EXPENSES	194,192,842	188,027,592	174,314,734	162,569,608	146,718,700	10
TOTAL TELEPHONE OPERATING INCOME	44,089,517	40,026,049	39,015,798	38,257,414	38,106,887	11
OTHER INCOME						
DIVIDEND INCOME	2,874,710	2,108,258	1,615,753	1,901,981	1,460,461	12
INTEREST INCOME	965,598	2,489,269	899,351	1,560,511	1,643,473	13
ALLOWANCE FOR CONSTRUCTION FUNDS	1,606,607	388,846	301,110	386,821	652,120	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	729,084	87,737	18-	31,157-	33,632-	16
MISCELLANEOUS INCOME	4,037,574	3,274,778	1,363,371	1,857,887	1,474,858	17
TOTAL OTHER INCOME	10,213,553	8,326,888	4,179,587	5,676,003	5,197,280	18
TOTAL INCOME	54,303,070	48,352,936	43,195,385	43,933,417	43,304,147	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	426,797	323,300	188,300	101,900	34,400	20
INCOME TAXES-NONOPERATING	647,692	825,553	225,714-	160,726	1,332	21
MISCELLANEOUS INCOME CHARGES	1,314,085	1,457,845	1,296,719	896,654	923,707	22
TOTAL INCOME DEDUCTIONS	2,388,554	2,606,698	1,259,305	1,159,280	959,439	23
INCOME BEFORE INTEREST CHARGES	51,914,516	45,746,237	41,936,080	42,774,137	42,344,708	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	8,761,087	8,769,078	8,804,628	8,178,088	9,039,823	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	59,892	59,951	60,231	60,949	62,882	26
AMORT. OF PREMIUM ON DEBT-CREDIT	1,118-	1,136-	1,153-	1,224-	1,229-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	192,247	493,955	474,245	1,912,397	568,419	29
TOTAL INTEREST CHARGES	9,012,108	9,321,848	9,337,951	10,850,210	9,669,875	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	42,902,408	36,424,389	32,598,109	31,923,927	32,674,833	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	98,034	15,702	67,682	33,541	6,211	32
EXTRAORDINARY/DELAYED INCOME CHARGES	54,318-	22,685-	184,670-	11,348-	21,853-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	15,844	10,437-	81,279-	5,222-	10,051-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	26,072	3,454	35,709-	27,415	5,591-	35
NET INCOME	$ 42,928,480 $	36,427,843 $	32,562,400 $	31,951,342 $	32,669,242	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 162,834,852 $	151,087,594 $	141,834,538 $	132,786,040 $	120,077,102	37
BALANCE TRANSFERRED FROM INCOME	42,928,480	36,427,843	32,562,400	31,951,342	32,669,242	38
MISCELLANEOUS CREDITS	-	2,922	-	782,982	-	39
MISCELLANEOUS DEBITS	6,159	708	-	1,702,134	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	1,012,500	1,012,500	1,012,500	1,012,500	1,012,500	42
-COMMON STOCK	25,209,290	23,670,299	22,298,844	20,971,192	18,948,404	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	179,535,383	162,834,852	151,087,594	141,834,538	132,786,040	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 179,535,383 $	162,834,852 $	151,087,594 $	141,834,538 $	132,786,040	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	38.0	39.7	40.8	42.2	40.7	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	16.5	14.8	13.9	14.0	15.0	49
TOTAL INCOME TAXES-OPERATING	15.8	14.9	13.7	11.9	11.2	50
OTHER TAXES-OPERATING	11.1	12.9	13.2	12.7	12.4	51
TOTAL OPERATING EXPENSES	81.4	82.4	81.7	80.9	79.3	52
OPERATING INCOME	18.5	17.5	18.2	19.0	20.6	53
DEPR. AND AMORT % OF TELEPHONE PLANT	6.4	6.0	5.5	5.4	5.4	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	3.8	4.1	4.4	5.4	5.2	55
PRETAX INTEREST COVERAGE	9.8	8.5	7.5	6.0	6.4	56
NET INCOME-PERCENT OF OPERATING REVENUES	18.0	15.9	15.2	15.9	17.6	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	0.4	0.4	0.4	0.5	0.5	58
TIMES EARNED	42.4	36.0	32.2	31.6	32.3	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	10.6	10.3	10.1	10.4	10.2	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	60.1	66.8	70.6	67.1	59.8	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	16.4	14.7	13.7	14.1	15.4	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	9.9	9.8	9.7	9.6	9.2	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ROCHESTER TELEPHONE CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 42,902,438	$ 38,424,388	$ 32,598,109	$ 31,923,927	$ 32,674,833
—	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	39,573,595	33,041,418	29,778,543	28,219,640	27,752,378
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	11,635,310	4,487,207	7,945,188	5,256,466	2,382,430
4	INTEREST CAPITALIZED	1,606,607-	388,846-	301,110-	386,821-	652,120-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	92,504,672	74,444,167	70,018,730	65,009,212	62,157,521
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	26,072	3,454	35,709-	27,415	5,591-
9	TOTAL FUNDS FROM INTERNAL SOURCES	92,530,744	74,447,621	69,983,021	65,036,627	62,151,930
10	LESS DIVIDENDS: PREFERRED	1,012,500	1,012,500	1,012,500	1,012,500	1,012,500
11	COMMON	26,209,290	23,670,299	22,298,844	20,971,192	18,948,404
12	NET FUNDS FROM INTERNAL SOURCES	65,308,954	49,764,822	46,673,677	43,052,935	42,191,026
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	46,390	-	-	-
15	COMMON STOCK	9,008	-	64,280	189,913	340,005
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	9,008	46,390	64,280	189,913	340,005
20	OTHER SOURCES (NET)	26,287,886	2,273,794	6,210,283	16,069,413	18,718,857
21						
22						
23	TOTAL FUNDS PROVIDED	$ 91,605,848	$ 52,085,006	$ 52,968,240	$ 59,312,261	$ 61,249,888
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 79,039,592	$ 40,213,744	$ 33,004,394	$ 37,768,645	$ 47,411,192
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	79,039,592	40,213,744	33,004,394	37,768,645	47,411,192
28	LESS INTEREST CAPITALIZED	1,606,607	388,846	301,110	386,821	652,120
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	77,432,985	39,824,898	32,703,284	37,381,824	46,759,072
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	213,000	522,000	1,133,000	1,848,000	9,376,000
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	213,000	522,000	1,133,000	1,848,000	9,376,000
37	OTHER USES (NET)	13,959,863	11,738,108	19,131,956	20,082,437	5,114,816
38						
39						
40	TOTAL FUNDS APPLIED	$ 91,605,848	$ 52,085,006	$ 52,968,240	$ 59,312,261	$ 61,249,888

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

ROCHESTER TELEPHONE CORPORATION

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	116,215,890 $	118,138,429 $	115,303,432 $	107,922,482 $	99,250,185	1
ACCESS REVENUES		77,639,535					2
TOLL REVENUES		17,145,977	92,549,504	82,455,250	79,936,239	74,713,976	3
MISCELLANEOUS REVENUES		28,198,211	18,358,848	16,339,850	13,891,631	12,163,426	4
UNCOLLECTIBLE REVENUES-DR		917,282	993,200	768,000	923,300	1,302,000	5
TOTAL TELEPHONE OPERATING REVENUE	$	238,282,331 $	228,053,581 $	213,330,532 $	200,827,052 $	184,825,587	6
TELEPHONE ACCESS LINES IN SERVICE		410,452	403,281	391,104	384,983	380,454	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 285.64	$ 297.44	$ 297.28	$ 282.11	$ 262.28	8
ACCESS REVENUE		190.83					9
TOLL REVENUE		42.14	233.02	212.56	208.95	197.44	10
*YEAR END AVERAGE							
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	38,281,913 $	38,150,717 $	37,300,754 $	34,952,743 $	30,436,056	11
DEPRECIATION + AMORTIZATION EXPENSES		39,491,998	33,900,144	29,745,005	28,188,894	27,724,541	12
TRAFFIC EXPENSES		9,390,017	9,087,604	8,604,491	8,824,679	8,590,405	13
COMMERCIAL EXPENSES		17,208,294	16,240,197	14,907,468	14,484,783	13,749,093	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		12,368,803	12,874,243	12,290,264	12,505,207	11,972,505	16
OTHER OPERATING EXPENSES		13,442,036	14,290,421	13,794,443	14,161,545	10,588,124	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	130,183,061 $	124,400,526 $	116,842,479 $	113,095,851 $	103,010,724	18
TELEPHONE UTILITY PLANT							
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	586,179,381 $	546,474,015 $	530,991,677 $	510,756,316 $	485,811,030	19
PLANT UNDER CONSTRUCTION		28,107,817	18,326,273	8,735,669	9,213,914	20,496,150	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-	-	22
PLANT ADJUSTMENTS		-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT		614,287,198	564,800,288	539,727,346	519,970,230	506,307,180	24
ACCUMULATED PROVISION FOR DEPR+AMORT		204,129,053	191,132,627	173,109,631	155,617,504	148,187,179	25
NET TELEPHONE PLANT	$	410,158,145 $	373,667,661 $	366,617,715 $	364,352,726 $	358,120,001	26
PLANT IN SERVICE BEGINNING OF YEAR	$	546,474,015 $	530,991,677 $	510,756,316 $	485,811,030 $	462,573,038	27
ADDITIONS		70,338,463	33,515,491	35,740,391	49,739,829	38,739,707	28
RETIREMENTS		29,730,893	18,033,153	15,505,030	24,794,543	15,501,715	29
TRANSFERS AND ADJUSTMENTS		902,204-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$	586,179,381 $	546,474,015 $	530,991,677 $	510,756,316 $	485,811,030	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

ROCHESTER TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 238,282,359	$ 228,053,641	$ 213,330,532	$ 200,827,052	$ 184,825,567
2	ACCESS LINES (AVERAGE*)	406,857	397,183	387,884	382,559	378,414
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 67,000,609	$ 66,088,529	$ 65,600,014	$ 63,075,939	$ 54,468,163
4	OTHER OPERATION AND MAINTENANCE EXPENSES	23,688,456	24,500,853	21,497,406	21,833,018	20,818,020
5	DEPRECIATION AND AMORTIZATION EXPENSES	39,491,998	33,900,144	29,745,055	28,188,894	27,724,541
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	37,555,631	33,937,003	29,135,198	23,841,544	20,694,051
8	OTHER TAXES - OPERATING	26,456,150	29,601,083	28,337,061	25,632,243	23,013,925
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8,628,129	9,228,525	9,269,033	10,757,871	9,519,522
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	983,157	1,004,225	1,003,138	1,003,174	996,350
11	EARNINGS AVAILABLE FOR COMMON EQUITY	34,478,231	29,793,299	28,743,627	26,496,569	27,590,395
12	TOTAL	$ 238,282,359	$ 228,053,641	$ 213,330,532	$ 200,827,052	$ 184,825,567
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	28.1	29.0	30.8	31.4	29.5
14	OTHER OPERATION AND MAINTENANCE EXPENSES	9.9	10.7	10.1	10.9	11.3
15	DEPRECIATION AND AMORTIZATION EXPENSES	16.6	14.9	13.9	14.0	15.0
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	15.8	14.9	13.7	11.9	11.2
18	OTHER TAXES - OPERATING	11.1	13.0	13.3	12.8	12.5
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.6	4.0	4.3	5.4	5.2
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.4	0.4	0.5	0.5	0.5
21	EARNINGS AVAILABLE FOR COMMON EQUITY	14.5	13.1	13.5	13.2	14.9
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 13.72	$ 13.87	$ 14.09	$ 13.74	$ 11.99
24	OTHER OPERATION AND MAINTENANCE EXPENSES	4.85	5.14	4.62	4.76	4.58
25	DEPRECIATION AND AMORTIZATION EXPENSES	8.09	7.11	6.39	6.14	6.11
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	7.69	7.12	6.26	5.19	4.56
28	OTHER TAXES - OPERATING	5.42	6.21	6.09	5.58	5.07
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1.77	1.94	1.99	2.34	2.10
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.20	0.21	0.22	0.22	0.22
31	EARNINGS AVAILABLE FOR COMMON EQUITY	7.06	6.25	6.18	5.77	6.08
32	TOTAL	$ 48.81	$ 47.85	$ 45.83	$ 43.75	$ 40.70

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

SENECA-GORHAM TELEPHONE CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 9,887,643	$ 8,955,534	$ 7,961,122	$ 7,762,897	$ 7,084,509
2	ACCUMULATED PROVISION FOR DEPR+AMORT	2,788,346	2,646,324	2,634,824	2,270,380	2,007,606
3	NET TELEPHONE PLANT	7,099,297	6,309,210	5,326,298	5,492,517	5,076,903
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	134,387	98,974	67,174	52,522	175,303
7	OTHER INVESTMENTS AND FUNDS	133,000	128,000	128,000	128,000	128,000
8	TOTAL INVESTMENTS AND FUNDS	267,387	226,974	195,174	180,522	303,303
9	CASH AND WORKING FUNDS	286,542	110,091	122,020	160,686	56,732
10	SPECIAL CASH DEPOSITS	250	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	-	318,239	595,636	358,000	594,632
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	118,125	98,885	11,006	172,189	97,159
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	139,949	137,961	236,352	203,586	183,339
15	MATERIALS AND SUPPLIES*	349,529	294,296	345,037	235,055	240,161
16	PREPAYMENTS	69,034	64,845	57,831	52,681	47,574
17	OTHER CURRENT AND ACCRUED ASSETS	105,385	87,355	83,980	64,980	58,385
18	TOTAL CURRENT AND ACCRUED ASSETS	1,068,814	1,111,672	1,451,862	1,247,136	1,277,982
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	39,693	41,551	43,519	45,596	48,710
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	19,967	19,303-	65,194	25,784	17,337
23	TOTAL DEFERRED DEBITS	59,660	22,248	108,713	71,380	66,047
24	TOTAL ASSETS AND OTHER DEBITS	8,495,138 $	7,670,104 $	7,082,047 $	6,991,535 $	6,724,235
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 118,450	$ 118,450	$ 118,450	$ 118,450	$ 118,450
26	PREFERRED CAPITAL STOCK	100,000	100,000	100,000	100,000	100,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	3,837,141	3,373,461	2,983,032	2,875,628	2,518,033
34	TOTAL PROPRIETARY CAPITAL	4,055,591	3,591,911	3,201,482	3,094,078	2,736,483
35	BONDS(LESS BONDS REACQUIRED)	2,928,936	2,970,757	3,107,399	3,142,730	3,343,700
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	2,928,936	2,970,757	3,107,399	3,142,730	3,343,700
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	238,013	174,289	261,620	268,728	218,960
41	CUSTOMERS'DEPOSITS	18,280	27,879	23,656	24,701	24,826
42	ADVANCE BILLING AND PAYMENTS	35,954	10,670	20,583	7,271	6,523
43	TAXES ACCRUED	84,467	4,557	56,441-	35,314	70,272
44	OTHER CURRENT AND ACCRUED LIABILITIES	111,062	166,681	28,967	25,248	42,625
45	TOTAL CURRENT AND ACCRUED LIABILITIES	487,776	384,076	278,385	361,262	363,206
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	416,449	314,344	215,010	196,045	130,110
48	OTHER DEFERRED CREDITS	78,316	34,945	24,366	17,950	19,246
49	TOTAL DEFERRED CREDITS	494,765	349,289	239,376	213,995	149,356
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	528,070	374,071	255,405	179,470	131,490
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 8,495,138	$ 7,670,104	$ 7,082,047	$ 6,991,535	$ 6,724,235
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.74	2.82	2.83	2.87	2.73
54	CURRENT ASSETS/CURRENT LIABILITIES	2.19	2.89	5.22	3.45	3.52
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	41.9	45.2	49.2	50.3	54.9
56	PREFERRED STOCK	1.4	1.5	1.5	1.6	1.6
57	COMMON STOCK+OTHER PAID-IN CAPITAL	1.6	1.8	1.8	1.8	1.9
58	RETAINED EARNINGS	54.9	51.4	47.2	46.1	41.4
	LONG-TERM DEBT:					
59	PERCENT OF GROSS TELEPHONE PLANT	29.6	33.1	39.0	40.4	47.1
60	PERCENT OF NET TELEPHONE PLANT	41.2	47.0	58.3	57.2	65.8
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	28.2	29.5	33.0	29.2	28.3

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

SENECA-GORHAM TELEPHONE CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES $	3,442,180 $	3,004,183 $	2,782,463 $	2,586,748 $	2,530,298	1
OPERATION AND MAINTENANCE EXPENSE	1,375,251	1,336,028	1,333,542	1,219,016	1,024,013	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	590,758	491,944	412,805	330,526	320,781	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	329,449	318,848	288,382	252,199	238,878	6
INCOME TAXES-OPERATING	181,002	83,023	143,505	112,435	147,415	7
OPERATING INCOME TAXES DEFERRED	201,220	138,660	96,450	67,750	42,720	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	32,170-	19,250-	19,540-	20,205-	13,320-	9
TOTAL OPERATING EXPENSES	2,645,510	2,349,251	2,255,144	1,961,721	1,760,487	10
TOTAL TELEPHONE OPERATING INCOME	796,670	654,932	527,319	625,027	769,811	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	42,387	-	12
INTEREST INCOME	21,775	46,251	38,117	3,338	98,188	13
ALLOWANCE FOR CONSTRUCTION FUNDS	11,152	6,700	1,327	-	825	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	5,967-	-	-	16
MISCELLANEOUS INCOME	109,945-	57,039-	9,485-	24,426-	119,473-	17
TOTAL OTHER INCOME	77,018-	4,088-	24,992	21,299	20,460-	18
TOTAL INCOME	719,652	650,844	552,311	646,326	749,351	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	20,000-	1,900	123,000-	14,300	1,250	21
MISCELLANEOUS INCOME CHARGES	759	1,138	301,394	2,538	826	22
TOTAL INCOME DEDUCTIONS	19,241-	3,038	178,394	16,838	2,076	23
INCOME BEFORE INTEREST CHARGES	738,893	647,806	373,917	629,488	747,275	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	192,808	198,132	206,813	196,625	232,609	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	1,859	1,968	2,077	3,115	4,382	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	4,476	4,897	5,243	19,774	6,759	29
TOTAL INTEREST CHARGES	199,143	204,997	214,133	219,514	243,750	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	539,750	442,809	159,784	409,974	503,525	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME $	539,750 $	442,809 $	159,784 $	409,974 $	503,525	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR $	3,373,461 $	2,983,032 $	2,875,628 $	2,518,033 $	2,076,364	37
BALANCE TRANSFERRED FROM INCOME	539,750	442,809	159,784	409,975	503,525	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	5,000	5,000	5,000	5,000	5,000	42
-COMMON STOCK	71,070	47,380	47,380	47,380	56,856	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	3,837,141	3,373,461	2,983,032	2,875,628	2,518,033	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR $	3,837,141 $	3,373,461 $	2,983,032 $	2,875,628 $	2,518,033	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	39.9	44.4	47.9	47.1	40.4	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	17.1	16.3	14.8	12.7	12.6	49
TOTAL INCOME TAXES-OPERATING	10.2	6.7	7.9	6.2	7.0	50
OTHER TAXES-OPERATING	9.5	10.6	10.3	9.7	9.4	51
TOTAL OPERATING EXPENSES	76.8	78.1	81.0	75.8	69.5	52
OPERATING INCOME	23.1	21.8	18.9	24.1	30.4	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.9	5.4	5.1	4.2	4.5	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	5.8	6.8	7.7	8.5	9.6	55
PRETAX INTEREST COVERAGE	5.6	4.4	2.2	3.7	3.9	56
NET INCOME-PERCENT OF OPERATING REVENUES	15.6	14.7	5.7	15.8	19.8	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	0.1	0.1	0.1	0.1	0.1	58
TIMES EARNED	108.0	88.6	32.0	82.0	100.7	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	2.0	1.5	1.7	1.8	2.2	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	13.2	10.8	30.6	11.6	11.4	61
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	14.3	13.2	5.0	14.3	20.6	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	1.9	1.4	1.5	1.6	2.3	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

SENECA-GORHAM TELEPHONE CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 539,750	$ 442,809	$ 159,784	$ 409,974	$ 503,525
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	628,681	528,855	452,699	371,561	359,193
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	256,000	218,000	94,900	113,915	158,360
4	INTEREST CAPITALIZED	11,152	6,700-	1,327-	3,338-	825-
5	OTHER (NET):	-	-	-	-	
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	1,413,279	1,180,964	706,056	892,112	1,020,253
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES		-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	1,413,279	1,180,964	706,056	892,112	1,020,253
10	LESS DIVIDENDS: PREFERRED	5,000	5,000	5,000	5,000	5,000
11	COMMON	71,070	47,380	47,380	47,380	56,856
12	NET FUNDS FROM INTERNAL SOURCES	1,337,209	1,128,584	653,676	839,732	958,397
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	-
20	OTHER SOURCES (NET)	302,263	588,936	-	241,053	37,360
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,639,472	$ 1,717,520	$ 653,676	$ 1,080,785	$ 995,757
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 1,491,111	$ 1,574,654	$ 304,103	$ 788,390	$ 485,444
25	NON-UTILITY PLANT	76,117	31,800	14,652	51,492	165,580
26	OTHER	14,510	50,741-	-	-	-
27	TOTAL GROSS ADDITIONS	1,581,738	1,555,713	318,755	839,882	651,024
28	LESS INTEREST CAPITALIZED	11,152	6,700	1,327	3,338	825
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,570,586	1,549,013	317,428	836,544	650,199
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	41,821	136,642	35,332	200,970	105,400
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	7,000	3,519	1,981	8,000	30,000
34	OTHER (NET)	5,000	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	53,821	140,161	37,313	208,970	135,400
37	OTHER USES (NET)	15,065	28,346	298,935	35,271	210,158
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,639,472	$ 1,717,520	$ 653,676	$ 1,080,785	$ 995,757

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

SENECA-GORHAM TELEPHONE CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 816,510	$ 803,084	$ 805,398	$ 762,659	$ 745,944	1
ACCESS REVENUES	1,153,241					2
TOLL REVENUES	1,154,298	1,902,200	1,851,944	1,718,417	1,682,009	3
MISCELLANEOUS REVENUES	344,530	313,443	134,793	120,793	125,130	4
UNCOLLECTIBLE REVENUES-DR	26,399	14,524	9,672	15,121	22,785	5
TOTAL TELEPHONE OPERATING REVENUE	$ 3,442,180	$ 3,004,183	$ 2,782,463	$ 2,586,748	$ 2,530,238	6
TELEPHONE ACCESS LINES IN SERVICE	6,911	6,704	6,571	6,506	6,161	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 119.94	$ 120.99	$ 123.18	$ 120.42	$ 121.45	8
ACCESS REVENUE	169.41					9
TOLL REVENUE	169.56	286.58	283.24	271.32	273.85	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 517,137	$ 556,519	$ 523,780	$ 518,641	$ 424,274	11
DEPRECIATION + AMORTIZATION EXPENSES	590,758	491,944	412,805	330,526	320,781	12
TRAFFIC EXPENSES	31,636	30,468	33,197	30,750	29,280	13
COMMERCIAL EXPENSES	159,664	158,715	149,816	147,894	143,828	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	405,316	401,797	475,930	356,095	269,050	16
OTHER OPERATING EXPENSES	261,498	188,529	150,819	165,636	157,583	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,966,009	$ 1,827,972	$ 1,746,347	$ 1,549,542	$ 1,344,794	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 9,769,620	$ 8,879,046	$ 7,924,609	$ 7,659,116	$ 6,996,991	19
PLANT UNDER CONSTRUCTION	85,247	54,980	28,050	95,318	87,518	20
PROPERTY HELD FOR FUTURE USE	32,776	21,508	8,463	8,463	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	9,887,643	8,955,534	7,961,122	7,762,897	7,084,509	24
ACCUMULATED PROVISION FOR DEPR+AMORT	2,788,346	2,646,324	2,634,824	2,270,380	2,007,606	25
NET TELEPHONE PLANT	$ 7,099,297	$ 6,309,210	$ 5,326,298	$ 5,492,517	$ 5,076,903	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 8,879,046	$ 7,924,608	$ 7,659,116	$ 6,996,991	$ 6,667,153	27
ADDITIONS	1,460,843	1,547,724	371,371	772,127	438,879	28
RETIREMENTS	559,001	593,286	105,879	110,002	109,041	29
TRANSFERS AND ADJUSTMENTS	11,268-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 9,769,620	$ 8,879,046	$ 7,924,608	$ 7,659,116	$ 6,996,991	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

SENECA-GORHAM TELEPHONE CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 3,442,180	$ 3,004,183	$ 2,782,463	$ 2,586,748	$ 2,530,298
2	ACCESS LINES (AVERAGE*)	6,808	6,638	6,539	6,334	6,142
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 808,807	$ 791,810	$ 786,330	$ 772,272	$ 647,759
4	OTHER OPERATION AND MAINTENANCE EXPENSES	566,444	544,218	547,212	446,744	376,254
5	DEPRECIATION AND AMORTIZATION EXPENSES	590,758	491,944	412,805	330,526	320,781
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	350,052	202,433	220,415	159,980	176,815
8	OTHER TAXES - OPERATING	329,449	318,846	288,382	252,199	238,878
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	196,422	202,947	213,605	218,422	243,659
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	4,933	4,946	4,987	4,973	4,998
11	EARNINGS AVAILABLE FOR COMMON EQUITY	595,315	447,039	308,727	401,632	521,154
12	TOTAL	$ 3,442,180	$ 3,004,183	$ 2,782,463	$ 2,586,748	$ 2,530,298
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	23.5	26.4	28.3	29.9	25.6
14	OTHER OPERATION AND MAINTENANCE EXPENSES	16.5	18.1	19.7	17.3	14.9
15	DEPRECIATION AND AMORTIZATION EXPENSES	17.2	16.4	14.8	12.8	12.7
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	10.2	6.7	7.9	6.2	7.0
18	OTHER TAXES - OPERATING	9.6	10.6	10.4	9.7	9.4
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.7	6.8	7.7	8.4	9.6
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.1	0.2	0.2	0.2	0.2
21	EARNINGS AVAILABLE FOR COMMON EQUITY	17.3	14.9	11.1	15.5	20.6
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 9.90	$ 9.94	$ 10.02	$ 10.16	$ 8.79
24	OTHER OPERATION AND MAINTENANCE EXPENSES	6.93	6.83	6.97	5.88	5.10
25	DEPRECIATION AND AMORTIZATION EXPENSES	7.23	6.18	5.26	4.35	4.35
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	4.29	2.54	2.81	2.10	2.40
28	OTHER TAXES - OPERATING	4.03	4.00	3.68	3.32	3.24
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.40	2.55	2.72	2.87	3.31
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.06	0.06	0.06	0.07	0.07
31	EARNINGS AVAILABLE FOR COMMON EQUITY	7.29	5.61	3.93	5.28	7.07
32	TOTAL	$ 42.14	$ 37.72	$ 35.46	$ 34.04	$ 34.33

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

STATE TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 5,382,912	$ 4,974,757	$ 4,753,859	$ 4,595,181	$ 4,385,330
2	ACCUMULATED PROVISION FOR DEPR+AMORT	3,791,861	3,513,542	3,164,913	2,818,940	2,541,615
3	NET TELEPHONE PLANT	1,591,051	1,461,215	1,588,946	1,776,241	1,843,715
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	44,814	22,150	-	-	-
7	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	44,814	22,150	-	-	-
9	CASH AND WORKING FUNDS	103,356	125,954	29,026	40,316	200
10	SPECIAL CASH DEPOSITS	471,413	234,357	403,920	172,705	72,736
11	TEMPORARY CASH INVESTMENTS	689,041	522,703	354,851	426,110	282,044
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	34,030	26,378	7,092	6,765	19,456
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	45,854	76,703	31,627	50,300	53,850
15	MATERIALS AND SUPPLIES*	50,089	30,598	26,788	19,546	19,285
16	PREPAYMENTS	154,761	73,567	70,565	66,943	39,546
17	OTHER CURRENT AND ACCRUED ASSETS	1,938	2,557	2,033	4,721	4,134
18	TOTAL CURRENT AND ACCRUED ASSETS	1,550,482	1,092,817	925,702	787,406	491,851
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	-	-	-	-	-
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	124	-	-	-	-
23	TOTAL DEFERRED DEBITS	124	-	-	-	-
24	TOTAL ASSETS AND OTHER DEBITS	3,186,471 $	2,576,182 $	2,514,648 $	2,563,647 $	2,335,566
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 80,000	$ 80,000	$ 80,000	$ 80,000	$ 80,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	84,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	2,197,068	1,882,820	1,578,885	1,353,327	1,228,744
34	TOTAL PROPRIETARY CAPITAL	2,277,067	1,962,820	1,658,885	1,433,327	1,392,744
35	BONDS(LESS BONDS REACQUIRED)	143,500	146,500	149,500	603,000	537,500
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	143,500	146,500	149,500	603,000	537,500
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	402,325	183,866	312,319	208,849	213,525
41	CUSTOMERS'DEPOSITS	38,500	47,145	40,665	32,490	28,540
42	ADVANCE BILLING AND PAYMENTS	-	-	-	-	-
43	TAXES ACCRUED	57,261	58,852	92,557	71,507	149
44	OTHER CURRENT AND ACCRUED LIABILITIES	59,053	52,781	56,967	47,853	25,932
45	TOTAL CURRENT AND ACCRUED LIABILITIES	557,139	342,644	502,508	360,699	268,146
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	71,851	-	-	-	-
48	OTHER DEFERRED CREDITS	123,984	124,218	124,374	124,374	124,452
49	TOTAL DEFERRED CREDITS	195,835	124,218	124,374	124,374	124,452
50	OPERATING RESERVES	-	-	79,381	42,247	12,724
51	ACCUMULATED DEFERRED INCOME TAXES	12,929	-	-	-	-
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,186,471	$ 2,576,182	$ 2,514,648	$ 2,563,647	$ 2,335,566
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.21	2.13	2.16	2.41	2.73
54	CURRENT ASSETS/CURRENT LIABILITIES	2.78	3.19	1.84	2.18	1.83
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	5.9	6.9	8.2	29.6	27.8
56	PREFERRED STOCK	-	-	-	-	4.3
57	COMMON STOCK+OTHER PAID-IN CAPITAL	3.3	3.7	4.4	3.9	4.1
58	RETAINED EARNINGS	90.7	89.2	87.3	66.4	63.6
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	2.6	2.9	3.1	13.1	12.2
60	PERCENT OF NET TELEPHONE PLANT	9.0	10.0	9.4	33.9	29.1
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	70.4	70.6	66.5	61.3	57.9

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

STATE TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 2,346,430	$ 2,288,146	$ 2,185,298	$ 1,865,545	$ 1,571,308	1
OPERATION AND MAINTENANCE EXPENSE	1,262,275	1,262,481	1,238,586	1,117,619	947,673	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	292,627	351,460	348,236	335,967	291,955	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	215,261	223,936	209,683	177,918	185,114	6
INCOME TAXES-OPERATING	281,625	179,904	131,517	66,615	6,668	7
OPERATING INCOME TAXES DEFERRED	-	-	-	-	-	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	-	-	-	-	9
TOTAL OPERATING EXPENSES	2,051,788	2,017,781	1,926,022	1,698,119	1,431,410	10
TOTAL TELEPHONE OPERATING INCOME	294,642	268,365	239,276	167,426	140,498	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	90,932	57,246	51,234	39,080	27,770	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	63,547	32,325	98	-	-	17
TOTAL OTHER INCOME	154,479	89,571	51,332	39,080	27,770	18
TOTAL INCOME	449,121	357,936	290,608	206,506	168,268	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	20,462	-	-	-	21
MISCELLANEOUS INCOME CHARGES	22,132	914	1,048	988	623	22
TOTAL INCOME DEDUCTIONS	22,132	21,376	1,048	988	623	23
INCOME BEFORE INTEREST CHARGES	426,989	336,560	289,560	205,518	167,645	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	9,510	9,704	38,186	53,819	52,044	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	-	-	-	-	-	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	5,219	2,922	5,816	4,824	3,767	29
TOTAL INTEREST CHARGES	14,729	12,626	44,002	58,643	55,811	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	412,260	323,934	245,558	146,875	111,834	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	7,416	32
EXTRAORDINARY/DELAYED INCOME CHARGES	48,012-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	48,012-	-	-	-	7,416	35
NET INCOME	$ 364,248	$ 323,934	$ 245,558	$ 146,875	$ 119,250	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 1,882,820	$ 1,578,885	$ 1,353,327	$ 1,228,732	$ 1,134,534	37
BALANCE TRANSFERRED FROM INCOME	364,248	323,934	245,558	146,875	119,250	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	2,280	5,040	42
-COMMON STOCK	50,000	20,000	20,000	20,000	20,000	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,197,068	1,882,819	1,578,885	1,353,327	1,228,744	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 2,197,068	$ 1,882,820	$ 1,578,885	$ 1,353,327	$ 1,228,744	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	53.7	55.2	57.2	59.9	60.2	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	12.4	15.3	15.9	18.0	18.5	49
TOTAL INCOME TAXES-OPERATING	12.0	7.9	6.1	3.6	0.4	50
OTHER TAXES-OPERATING	9.1	9.7	9.6	9.5	11.7	51
TOTAL OPERATING EXPENSES	87.4	88.2	88.9	91.0	91.0	52
OPERATING INCOME	12.5	11.7	11.0	8.9	8.9	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.4	7.0	7.2	7.3	6.6	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	0.6	0.6	2.0	3.1	3.6	55
PRETAX INTEREST COVERAGE	48.1	42.5	9.6	4.6	3.1	56
NET INCOME-PERCENT OF OPERATING REVENUES	15.5	14.1	11.3	7.8	7.5	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-		0.1	0.3	58
TIMES EARNED	-	-		64.4	23.7	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	2.1	0.8	0.9	1.0	1.2	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	13.7	6.1	8.1	13.8	17.5	61
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	17.1	17.8	15.8	10.5	9.0	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	2.3	1.1	1.2	1.4	1.5	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

STATE TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 412,260	$ 323,934	$ 245,558	$ 146,875	$ 111,834
	NON-CASH CHARGES/(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	311,190	378,486	367,785	335,967	291,955
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	-	-	-	-	-
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	36,768	-	-	5,047	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	760,218	702,420	613,343	487,889	403,789
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	760,218	702,420	613,343	487,889	403,789
10	LESS DIVIDENDS PREFERRED	-	-	-	2,280	5,040
11	COMMON	50,000	-	20,000	20,000	20,000
12	NET FUNDS FROM INTERNAL SOURCES	710,218	702,420	593,343	465,609	378,749
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	148,500	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	148,500	-	-
20	OTHER SOURCES (NET)	-	-	-	14,653	30,484
21						
22						
23	TOTAL FUNDS PROVIDED	$ 710,218	$ 702,420	$ 741,843	$ 480,262	$ 409,233
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 463,690	$ 260,615	$ 182,661	$ 207,027	$ 290,661
25	NON-UTILITY PLANT	-	-	-		
26	OTHER	-	9,693	-		
27	TOTAL GROSS ADDITIONS	463,690	270,308	182,661	207,027	290,661
28	LESS INTEREST CAPITALIZED	-	-	-		
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	463,690	270,308	182,661	207,027	290,661
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	3,000	3,000	453,500	65,500	3,000
31	PREFERRED STOCK			-		10,000
32	REDEMPTION OF CAPITAL STOCK	-	-	-		
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	17,500
34	OTHER (NET)	234	-	-	-	
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	3,234	3,000	453,500	65,500	30,500
37	OTHER USES (NET)	243,294	429,112	105,682	207,735	88,072
38						
39						
40	TOTAL FUNDS APPLIED	$ 710,218	$ 702,420	$ 741,843	$ 480,262	$ 409,233

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT

YEARS ENDING DECEMBER 31

STATE TELEPHONE COMPANY

TELEPHONE OPERATING REVENUES

ITEM	1985	1984	1983	1982	1981	LINE NO
OPERATING REVENUES						
LOCAL REVENUES	$ 1,081,097	$ 1,035,114	$ 1,006,734	$ 950,099	$ 846,444	1
ACCESS REVENUES	64,777					2
TOLL REVENUES	999,909	1,028,301	950,334	715,140	667,090	3
MISCELLANEOUS REVENUES	215,062	230,154	219,973	205,616	77,466	4
UNCOLLECTIBLE REVENUES-DR	8,739	7,424	11,743	15,311	19,092	5
TOTAL TELEPHONE OPERATING REVENUE	$ 2,352,096	$ 2,286,145	$ 2,165,298	$ 1,855,544	$ 1,571,908	6
TELEPHONE ACCESS LINES IN SERVICE	6,108	5,873	5,452	5,543	5,467	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 180.47	$ 182.80	$ 183.13	$ 174.40	$ 155.94	8
ACCESS REVENUE	10.81					9
TOLL REVENUE	166.92	181.60	172.87	129.91	122.90	10

*YEAR END AVERAGE

TELEPHONE OPERATION AND MAINTENANCE EXPENSES

ITEM	1985	1984	1983	1982	1981	LINE NO
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 523,335	$ 538,913	$ 532,282	$ 452,314	$ 394,841	11
DEPRECIATION + AMORTIZATION EXPENSES	292,827	351,460	346,236	335,957	291,955	12
TRAFFIC EXPENSES	30,762	31,805	37,843	37,971	38,414	13
COMMERCIAL EXPENSES	189,937	215,598	214,588	206,242	178,190	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	273,248	238,188	179,696	203,023	176,253	16
OTHER OPERATING EXPENSES	245,393	238,577	274,777	218,669	163,975	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,555,502	$ 1,614,541	$ 1,585,422	$ 1,454,186	$ 1,233,628	18

TELEPHONE UTILITY PLANT

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 5,276,458	$ 4,952,325	$ 4,734,958	$ 4,565,134	$ 4,358,107	19
*PLANT UNDER CONSTRUCTION	106,454	22,432	18,901	30,047	27,223	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	5,382,912	4,974,757	4,753,859	4,595,181	4,385,330	24
ACCUMULATED PROVISION FOR DEPR+AMORT	3,791,861	3,513,542	3,164,913	2,818,940	2,541,615	25
NET TELEPHONE PLANT	$ 1,591,051	$ 1,461,215	$ 1,588,946	$ 1,776,241	$ 1,843,715	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 4,952,325	$ 4,734,958	$ 4,565,134	$ 4,358,107	$ 4,185,102	27
ADDITIONS	387,382	279,593	193,807	291,196	289,850	28
RETIREMENTS	31,257	62,227	23,983	85,195	110,872	29
TRANSFERS AND ADJUSTMENTS	31,994-	-	-	1,026	5,973-	30
PLANT IN SERVICE END OF YEAR	$ 5,276,458	$ 4,952,324	$ 4,734,958	$ 4,565,134	$ 4,358,107	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

STATE TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 2,346,430	$ 2,286,146	$ 2,185,298	$ 1,865,545	$ 1,571,908
2	ACCESS LINES (AVERAGE*)	5,991	5,663	5,498	5,505	5,428
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 695,885	$ 670,536	$ 689,136	$ 611,521	$ 522,081
4	OTHER OPERATION AND MAINTENANCE EXPENSES	566,390	591,945	549,450	506,098	425,586
5	DEPRECIATION AND AMORTIZATION EXPENSES	292,627	351,460	346,238	335,967	291,355
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	281,625	179,904	131,517	66,615	6,668
8	OTHER TAXES - OPERATING	215,281	223,936	209,683	177,918	185,114
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	14,729	12,626	44,002	58,643	55,811
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	2,280	5,040
11	EARNINGS AVAILABLE FOR COMMON EQUITY	279,913	255,739	195,274	106,503	79,647
12	TOTAL	$ 2,346,430	$ 2,286,146	$ 2,185,298	$ 1,865,545	$ 1,571,908
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	29.7	29.3	31.8	32.8	33.2
14	OTHER OPERATION AND MAINTENANCE EXPENSES	24.1	25.9	25.4	27.1	27.1
15	DEPRECIATION AND AMORTIZATION EXPENSES	12.5	15.4	16.0	18.0	18.5
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	12.0	7.9	6.1	3.6	0.4
18	OTHER TAXES - OPERATING	9.2	9.8	9.7	9.5	11.8
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	0.6	0.6	2.0	3.1	3.6
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	0.1	0.3
21	EARNINGS AVAILABLE FOR COMMON EQUITY	11.9	11.2	9.0	5.7	5.1
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 9.68	$ 9.87	$ 10.45	$ 9.26	$ 8.02
24	OTHER OPERATION AND MAINTENANCE EXPENSES	7.88	8.71	8.33	7.66	6.53
25	DEPRECIATION AND AMORTIZATION EXPENSES	4.07	5.17	5.25	5.09	4.48
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	3.92	2.65	1.99	1.01	0.10
28	OTHER TAXES - OPERATING	2.99	3.30	3.18	2.69	2.84
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	0.20	0.19	0.67	0.89	0.86
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	0.03	0.08
31	EARNINGS AVAILABLE FOR COMMON EQUITY	3.89	3.76	2.96	1.61	1.22
32	TOTAL	$ 32.64	$ 33.64	$ 32.82	$ 28.24	$ 24.13

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

SYLVAN LAKE TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
			ASSETS AND OTHER DEBITS			
1	TELEPHONE PLANT	$ 14,272,399	$ 13,790,789	$ 13,018,837	$ 12,271,281	$ 11,602,113
2	ACCUMULATED PROVISION FOR DEPR+AMORT	4,633,873	5,802,333	5,181,799	5,065,082	4,490,196
3	NET TELEPHONE PLANT	9,638,526	7,988,456	7,837,038	7,206,199	7,111,917
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	2,250	-	2,250	2,250	2,250
8	TOTAL INVESTMENTS AND FUNDS	2,250	-	2,250	2,250	2,250
9	CASH AND WORKING FUNDS	141,685	31,256	39,598	68,130	83,406
10	SPECIAL CASH DEPOSITS	1,000	1,000	1,000	1,000	1,000
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	412,401	212,405	2,810	8,188	29,274
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	100,444	880,151	184,096	96,886	139,685
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	491,214	-	835,199	599,706	515,986
15	MATERIALS AND SUPPLIES*	197,213	204,647	188,085	406,667	475,853
16	PREPAYMENTS	97,447	89,111	108,114	77,514	76,499
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	1,441,404	1,418,570	1,358,902	1,258,089	1,321,683
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	95,191	103,199	112,117	38,638	41,064
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	91,025	121,776	46,257	70,386	41,222
23	TOTAL DEFERRED DEBITS	186,216	224,975	158,374	109,024	82,286
24	TOTAL ASSETS AND OTHER DEBITS	11,268,398	$ 9,632,001	$ 9,356,564	$ 8,575,562	$ 8,518,136
			LIABILITIES AND OTHER CREDITS			
25	COMMON CAPITAL STOCK	$ 168,000	$ 168,000	$ 168,000	$ 168,000	$ 168,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	257,300	257,300	257,300	257,300	257,300
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	767,000	767,000	767,000	767,000	767,000
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	2,965,553	2,645,210	2,475,852	2,226,728	2,063,748
34	TOTAL PROPRIETARY CAPITAL	4,157,853	3,837,510	3,668,152	3,419,028	3,256,048
35	BONDS(LESS BONDS REACQUIRED)	3,583,000	3,589,000	3,595,000	1,701,000	1,701,000
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	175,000	1,740,000	2,052,000
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	3,583,000	3,589,000	3,770,000	3,441,000	3,753,000
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	712,724	-	34,451	66,139	92,137
40	OTHER NOTES AND ACCOUNTS PAYABLE	644,865	326,802	261,999	228,682	199,415
41	CUSTOMERS' DEPOSITS	29,008	35,022	29,883	28,286	27,415
42	ADVANCE BILLING AND PAYMENTS	16,686	-	20,579	22,969	26,770
43	TAXES ACCRUED	61,018	105,100	15,266-	20,540	79,558
44	OTHER CURRENT AND ACCRUED LIABILITIES	202,477	167,683	126,651	108,563	24,778
45	TOTAL CURRENT AND ACCRUED LIABILITIES	1,666,758	634,607	458,297	475,179	450,073
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	697,979	642,979	637,979	585,579	527,379
48	OTHER DEFERRED CREDITS	45,000	45,000	45,000	27,140	-
49	TOTAL DEFERRED CREDITS	742,979	687,979	682,979	612,719	527,379
50	OPERATING RESERVES	77,370	9,669	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	1,040,436	873,236	777,136	627,636	531,636
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 11,268,398	$ 9,632,001	$ 9,356,564	$ 8,575,562	$ 8,518,136
			SELECTED BALANCE SHEET RELATIONSHIPS			
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.75	3.15	3.22	3.19	3.12
54	CURRENT ASSETS/CURRENT LIABILITIES	0.86	2.24	2.97	2.65	2.94
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	46.2	48.3	50.6	50.1	53.5
56	PREFERRED STOCK	-	-	-	-	-
57	COMMON STOCK+OTHER PAID-IN CAPITAL	15.4	16.0	16.0	17.3	17.0
58	RETAINED EARNINGS	38.3	35.6	33.2	32.4	29.4
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	25.1	26.0	28.9	28.0	32.3
60	PERCENT OF NET TELEPHONE PLANT	37.1	44.9	48.1	47.7	52.7
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	32.4	42.0	39.8	41.2	38.7

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

SYLVAN LAKE TELEPHONE COMPANY, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 5,110,731	$ 4,250,020	$ 3,921,346	$ 3,747,135	$ 3,533,772	1
OPERATION AND MAINTENANCE EXPENSE	2,368,177	1,914,078	1,719,093	1,612,950	1,320,492	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	915,896	757,250	685,354	689,462	655,328	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	451,899	467,218	421,977	350,807	314,829	6
INCOME TAXES-OPERATING	178,760	149,716	96,194	167,060	223,645	7
OPERATING INCOME TAXES DEFERRED	181,800	110,200	164,600	110,800	112,500	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	14,800-	14,100-	15,100-	14,800-	13,900-	9
TOTAL OPERATING EXPENSES	4,081,732	3,384,362	3,072,118	2,916,279	2,612,894	10
TOTAL TELEPHONE OPERATING INCOME	1,028,999	865,658	849,228	830,856	920,878	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	74,571	22,967	18,857	583	9,141	13
ALLOWANCE FOR CONSTRUCTION FUNDS	48,644	4,482	4,089	14,579	29,200	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC PHYSICAL PROPERTY	-	7,754	-	-	-	16
MISCELLANEOUS INCOME	17,760	-	-	-	-	17
TOTAL OTHER INCOME	140,975	35,203	22,946	15,162	38,341	18
TOTAL INCOME	1,169,974	900,861	872,174	846,018	959,219	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC TAXES-NONOPERATING	696	343	-	-	-	20
INCOME TAXES-NONOPERATING	41,057	13,169	7,554	287-	3,611	21
MISCELLANEOUS INCOME CHARGES	2,383	1,750	2,435	1,183	1,290	22
TOTAL INCOME DEDUCTIONS	44,136	15,262	9,989	896	4,901	23
INCOME BEFORE INTEREST CHARGES	1,125,838	885,599	862,185	845,122	954,318	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	385,854	386,181	286,246	144,589	149,566	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	8,008	8,008	6,287	2,427	2,561	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	5,874	3,833	62,846	219,926	257,987	29
TOTAL INTEREST CHARGES	399,736	398,022	355,379	366,942	410,114	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	726,102	487,577	506,806	478,180	544,204	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	40-	45,000-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	40-	45,000-	-	35
NET INCOME	$ 726,102	$ 487,577	$ 506,766	$ 433,180	$ 544,204	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 2,645,210	$ 2,475,852	$ 2,226,728	$ 2,063,747	$ 1,519,543	37
BALANCE TRANSFERRED FROM INCOME	726,102	487,577	506,766	433,180	544,205	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	42
-COMMON STOCK	405,760	318,219	257,642	270,199	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,965,553	2,645,210	2,475,852	2,226,728	2,063,748	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 2,965,553	$ 2,645,210	$ 2,475,852	$ 2,226,728	$ 2,063,748	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	46.3	45.0	43.8	43.0	37.3	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	17.9	17.8	17.4	18.3	18.5	49
TOTAL INCOME TAXES-OPERATING	6.8	5.8	6.3	7.0	9.1	50
OTHER TAXES-OPERATING	8.8	10.9	10.7	9.3	8.9	51
TOTAL OPERATING EXPENSES	79.9	79.6	78.3	77.8	73.9	52
OPERATING INCOME	20.1	20.3	21.6	22.1	26.0	53
DEPR. AND AMORT % OF TELEPHONE PLANT	6.4	5.4	5.2	5.6	5.6	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	7.8	9.4	9.1	9.8	11.6	55
PRETAX INTEREST COVERAGE	3.8	2.9	3.1	3.0	3.1	56
NET INCOME-PERCENT OF OPERATING REVENUES	14.2	11.4	12.9	11.5	15.4	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	58
TIMES EARNED	-	-	-	-	-	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	7.9	7.4	6.5	7.2	-	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	55.9	65.2	50.8	62.3	-	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	18.1	12.9	14.3	12.9	18.2	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	10.1	8.4	7.2	8.0	-	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

SYLVAN LAKE TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 726,102	$ 487,577	$ 506,806	$ 478,180	$ 544,204
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	923,705	766,168	691,641	691,889	657,889
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	222,200	101,100	201,900	154,200	174,200
4	INTEREST CAPITALIZED	48,644-	4,482-	4,089-	14,579-	29,200-
5	OTHER (NET):	98,452	21,253	41,989	27,140	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	1,921,815	1,371,616	1,438,247	1,336,830	1,347,093
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	40-	45,000-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	1,921,815	1,371,616	1,438,207	1,291,830	1,347,093
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	405,760	318,218	257,642	270,199	-
12	NET FUNDS FROM INTERNAL SOURCES	1,516,055	1,053,398	1,180,565	1,021,631	1,347,093
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	1,894,000	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET):	-	-	-	-	2,052,000
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	1,894,000	-	2,052,000
20	OTHER SOURCES (NET):	1,017,653	107,307	-	95,715	10,652
21						
22						
23	TOTAL FUNDS PROVIDED	$ 2,533,708	$ 1,160,705	$ 3,074,565	$ 1,117,346	$ 3,409,745
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 2,565,766	$ 908,668	$ 1,316,193	$ 783,744	$ 1,274,211
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	2,565,766	908,668	1,316,193	783,744	1,274,211
28	LESS INTEREST CAPITALIZED	48,644	4,482	4,089	14,579	29,200
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	2,517,122	904,186	1,312,104	769,165	1,245,011
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	6,000	6,000	-	-	12,000
31	PREFERRED STOCK	-	-	79,766	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	6,000	1,153,000
34	OTHER (NET):	10,586	175,000	30,600	30,181	1,500
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	16,586	181,000	110,366	36,181	1,166,500
37	OTHER USES (NET):	-	75,519	1,652,095	312,000	998,234
38						
39						
40	TOTAL FUNDS APPLIED	$ 2,533,708	$ 1,160,705	$ 3,074,565	$ 1,117,346	$ 3,409,745

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

SYLVAN LAKE TELEPHONE COMPANY, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 2,135,299	$ 1,899,139	$ 1,681,109	$ 1,772,494	$ 1,604,076	1
ACCESS REVENUES	-					2
TOLL REVENUES	2,589,354	2,066,385	2,017,557	1,774,829	1,765,035	3
MISCELLANEOUS REVENUES	416,207	311,453	248,605	224,490	184,545	4
UNCOLLECTIBLE REVENUES-DR	30,129	26,957	25,925	24,678	19,884	5
TOTAL TELEPHONE OPERATING REVENUE	$ 5,110,731	$ 4,250,020	$ 3,921,346	$ 3,747,135	$ 3,533,772	6
TELEPHONE ACCESS LINES IN SERVICE	10,952	10,198	9,735	10,795	10,289	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 201.92	$ 190.55	$ 163.77	$ 168.14	$ 159.32	8
ACCESS REVENUE	-					9
TOLL REVENUE	244.86	207.33	196.55	168.38	175.31	10

*YEAR END AVERAGE

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 967,661	$ 857,181	$ 772,481	$ 749,216	$ 601,908	11
DEPRECIATION + AMORTIZATION EXPENSES	915,696	757,250	685,354	689,462	655,328	12
TRAFFIC EXPENSES	186,836	123,060	60,350	40,125	46,999	13
COMMERCIAL EXPENSES	409,787	357,268	349,351	345,588	315,456	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	510,493	360,382	312,016	239,873	215,930	16
OTHER OPERATING EXPENSES	293,400	216,187	224,895	238,148	140,199	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 3,283,873	$ 2,671,328	$ 2,404,447	$ 2,302,412	$ 1,975,820	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 13,892,040	$ 13,312,947	$ 12,787,453	$ 11,986,983	$ 11,011,909	19
PLANT UNDER CONSTRUCTION	302,190	399,673	153,215	206,129	512,035	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	2,013	2,013	2,013	2,013	2,013	22
PLANT ADJUSTMENTS	76,156	76,156	76,156	76,156	76,156	23
TOTAL TELEPHONE UTILITY PLANT	14,272,399	13,790,789	13,018,837	12,271,281	11,602,113	24
ACCUMULATED PROVISION FOR DEPR+AMORT	4,633,873	5,802,333	5,181,799	5,065,082	4,490,196	25
NET TELEPHONE PLANT	$ 9,638,526	$ 7,988,456	$ 7,837,038	$ 7,206,199	$ 7,111,917	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 13,312,947	$ 12,787,453	$ 11,986,983	$ 11,011,909	$ 10,036,993	27
ADDITIONS	2,661,973	743,283	1,248,764	1,119,949	1,373,274	28
RETIREMENTS	2,082,880	217,789	448,294	144,875	415,364	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	17,006	30
PLANT IN SERVICE END OF YEAR	$ 13,892,040	$ 13,312,947	$ 12,787,453	$ 11,986,983	$ 11,011,909	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

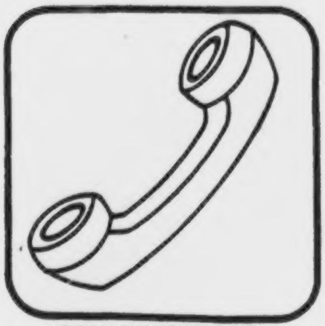
DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

SYLVAN LAKE TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 5,110,731	$ 4,250,020	$ 3,921,346	$ 3,747,135	$ 3,533,772
2	ACCESS LINES (AVERAGE*)	10,575	9,967	10,265	10,542	10,068
	DOLLAR AMOUNTS					
3	WAGES AND BENEFITS	$ 399,696	$ 407,862	$ 458,261	$ 474,008	$ 398,872
4	OTHER OPERATION AND MAINTENANCE EXPENSES	1,968,481	1,508,218	1,260,832	1,138,942	921,620
5	DEPRECIATION AND AMORTIZATION EXPENSES	915,696	757,250	685,354	689,462	665,328
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	345,960	245,816	245,694	263,080	322,245
8	OTHER TAXES - OPERATING	451,899	467,218	421,977	350,807	314,829
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	388,110	398,022	354,443	363,458	403,369
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	640,889	467,638	494,785	467,398	517,509
12	TOTAL	$ 5,110,731	$ 4,250,020	$ 3,921,346	$ 3,747,135	$ 3,533,772
	PERCENT OF REVENUES					
13	WAGES AND BENEFITS	7.8	9.6	11.7	12.6	11.3
14	OTHER OPERATION AND MAINTENANCE EXPENSES	38.5	35.4	32.2	30.4	26.1
15	DEPRECIATION AND AMORTIZATION EXPENSES	17.9	17.8	17.5	18.4	18.5
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	6.8	5.8	6.3	7.0	9.1
18	OTHER TAXES - OPERATING	8.8	11.0	10.8	9.4	8.9
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.6	9.4	9.0	9.7	11.4
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	12.5	11.0	12.6	12.5	14.6
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	DOLLARS PER AVERAGE ACCESS LINE PER MONTH					
23	WAGES AND BENEFITS	$ 3.15	$ 3.41	$ 3.72	$ 3.75	$ 3.30
24	OTHER OPERATION AND MAINTENANCE EXPENSES	15.51	12.59	10.24	9.00	7.63
25	DEPRECIATION AND AMORTIZATION EXPENSES	7.22	6.33	5.56	5.45	5.42
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	2.73	2.06	1.99	2.08	2.67
28	OTHER TAXES - OPERATING	3.56	3.91	3.43	2.77	2.61
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.06	3.33	2.88	2.87	3.34
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	5.05	3.91	4.02	3.69	4.28
32	TOTAL	$ 40.27	$ 35.54	$ 31.83	$ 29.62	$ 29.25

* YEAR END AVERAGE



COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

TACONIC TELEPHONE CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 25,024,793	$ 24,330,378	$ 22,919,339	$ 21,887,662	$ 19,877,174
2	ACCUMULATED PROVISION FOR DEPR+AMORT	9,769,192	9,020,762	8,210,307	7,233,829	6,442,243
3	NET TELEPHONE PLANT	15,255,601	15,309,616	14,709,032	14,653,833	13,434,931
4	INVESTMENTS IN AFFILIATED COMPANIES	400,010	299,290	474,454	411,829	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	1,726	1,726	1,726	1,726	1,726
7	OTHER INVESTMENTS AND FUNDS	41,378	36,378	36,378	36,378	-
8	TOTAL INVESTMENTS AND FUNDS	443,114	337,394	512,558	449,933	1,726
9	CASH AND WORKING FUNDS	340,094	304,962	281,345	159,817	102,825
10	SPECIAL CASH DEPOSITS	630,721	60,390	258,592	54,978	3,147
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	216,063	152,983	1,209	1,647	37
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	475,717	656,614	165,407	219,579	60,093
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	852,287	803,625	767,381	510,391	471,482
15	MATERIALS AND SUPPLIES*	345,937	317,384	275,728	264,177	351,924
16	PREPAYMENTS	200,725	260,453	178,936	166,545	162,275
17	OTHER CURRENT AND ACCRUED ASSETS	63,595	58,783	54,280	50,087	46,413
18	TOTAL CURRENT AND ACCRUED ASSETS	3,125,139	2,615,194	1,982,878	1,427,221	1,198,196
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	53,059	-	57,480	59,692	61,902
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	55,270	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	14,820	13,601	26,737	13,694	21,425
23	TOTAL DEFERRED DEBITS	67,879	68,871	84,217	73,386	83,327
24	TOTAL ASSETS AND OTHER DEBITS	18,891,733	$ 18,331,075	$ 17,288,685	$ 16,604,373	$ 14,718,180
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 677,719	$ 677,719	$ 677,719	$ 677,719	$ 677,719
26	PREFERRED CAPITAL STOCK	-	52,500	91,300	131,600	171,400
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	6,003,011	5,361,530	5,162,498	4,768,636	4,266,763
34	TOTAL PROPRIETARY CAPITAL	6,680,730	6,091,749	5,931,517	5,577,955	5,115,882
35	BONDS(LESS BONDS REACQUIRED)	8,846,905	8,922,775	8,996,771	9,056,046	6,590,250
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	8,846,905	8,922,775	8,996,771	9,056,046	6,590,250
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	17,934	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	279,131	836,156	178,288	409,767	1,826,231
41	CUSTOMERS'DEPOSITS	-	121,332	110,130	87,015	72,110
42	ADVANCE BILLING AND PAYMENTS	-	7,267	7,267	7,267	7,267
43	TAXES ACCRUED	25,973	-	204,576	26,692	134,324
44	OTHER CURRENT AND ACCRUED LIABILITIES	107,127	8,555	51,075	-	-
45	TOTAL CURRENT AND ACCRUED LIABILITIES	412,231	991,244	551,336	530,741	2,039,932
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	1,280,372	993,780	860,681	799,460	597,792
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	1,280,372	993,780	860,681	799,460	597,792
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	1,671,495	1,331,527	948,380	640,171	374,324
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 18,891,733	$ 18,331,075	$ 17,288,685	$ 16,604,373	$ 14,718,180
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.60	2.74	2.69	2.70	2.77
54	CURRENT ASSETS/CURRENT LIABILITIES	7.58	2.64	3.60	2.69	0.59
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	56.9	59.4	60.2	61.8	56.2
56	PREFERRED STOCK	-	0.3	0.6	0.8	1.4
57	COMMON STOCK+OTHER PAID-IN CAPITAL	4.3	4.5	4.5	4.6	5.7
58	RETAINED EARNINGS	38.6	35.7	34.5	32.5	36.4
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	35.3	36.6	39.2	41.3	33.1
60	PERCENT OF NET TELEPHONE PLANT	57.9	58.2	61.1	61.7	49.0
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	39.0	37.0	35.8	33.0	32.4

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

TACONIC TELEPHONE CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 9,488,477	$ 8,610,449	$ 8,330,925	$ 7,737,934	$ 6,807,664	1
OPERATION AND MAINTENANCE EXPENSE	4,817,463	4,548,244	4,238,159	3,932,214	3,253,836	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	1,151,040	1,084,693	1,042,989	972,021	850,885	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	1,120,824	1,062,824	1,016,011	830,178	741,386	6
INCOME TAXES-OPERATING	275,022	162,045	224,760	182,412	364,095	7
OPERATING INCOME TAXES DEFERRED	356,511	396,080	323,861	280,569	142,271	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	16,543-	12,933-	15,452-	14,722-	17,639-	9
TOTAL OPERATING EXPENSES	7,704,317	7,240,953	6,830,128	6,182,672	5,334,834	10
TOTAL TELEPHONE OPERATING INCOME	1,784,160	1,369,496	1,500,797	1,555,262	1,472,830	11
OTHER INCOME						
DIVIDEND INCOME	1,429	1,340	1,249	-	-	12
INTEREST INCOME	28,080	28,388	15,830	31,746	2,854	13
ALLOWANCE FOR CONSTRUCTION FUNDS	16,907	43,075	35,769	87,452	53,637	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	13,831-	175,175-	49,946	275	6,128	17
TOTAL OTHER INCOME	32,585	102,372-	102,794	119,473	62,619	18
TOTAL INCOME	1,816,745	1,267,124	1,603,591	1,674,735	1,535,449	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	1,685	2,282	1,175	3,132	8,191	22
TOTAL INCOME DEDUCTIONS	1,685	2,282	1,175	3,132	8,191	23
INCOME BEFORE INTEREST CHARGES	1,815,060	1,264,842	1,602,416	1,671,603	1,527,258	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	967,152	900,589	938,969	755,205	574,670	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	2,211	2,211	2,212	2,211	2,211	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	23,809	15,641	10,976	160,010	159,155	29
TOTAL INTEREST CHARGES	993,172	918,441	952,157	917,426	736,036	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	821,888	346,401	650,259	754,177	791,222	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	17,478	132,123	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	17,478	132,123	-	-	-	35
NET INCOME	$ 839,366	$ 478,524	$ 650,259	$ 754,177	$ 791,222	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 5,462,250	$ 5,162,498	$ 4,768,636	$ 4,266,763	$ 3,712,557	37
BALANCE TRANSFERRED FROM INCOME	839,366	478,524	650,259	754,177	791,222	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	1,312	4,106	6,045	8,210	8,570	42
-COMMON STOCK	297,293	275,386	250,352	244,094	228,446	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	6,003,011	5,381,530	5,162,498	4,768,636	4,266,763	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 6,003,011	$ 5,381,530	$ 5,162,498	$ 4,768,636	$ 4,266,763	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	50.7	52.8	50.8	50.8	47.7	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	12.1	12.5	12.5	12.5	12.4	49
TOTAL INCOME TAXES-OPERATING	6.5	6.3	6.4	5.8	7.2	50
OTHER TAXES-OPERATING	11.8	12.3	12.1	10.7	10.8	51
TOTAL OPERATING EXPENSES	81.1	84.0	81.9	79.9	78.3	52
OPERATING INCOME	18.8	15.9	18.0	20.0	21.6	53
DEPR. AND AMORT % OF TELEPHONE PLANT	4.5	4.4	4.5	4.4	4.2	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	10.5	10.7	11.4	11.9	10.8	55
PRETAX INTEREST COVERAGE	2.4	2.0	2.2	2.3	2.7	56
NET INCOME-PERCENT OF OPERATING REVENUES	8.8	5.5	7.8	9.7	11.6	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	0.1	0.1	58
TIMES EARNED	-	116.5	107.6	91.9	92.3	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	3.1	3.1	3.0	3.1	3.3	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	35.4	58.0	38.8	32.7	29.1	61
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	13.1	7.9	11.4	14.3	16.7	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	4.6	4.6	4.4	4.6	4.8	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

TACONIC TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 839,386	$ 346,401	$ 650,259	$ 754,177	$ 791,222
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	1,153,251	1,086,905	1,045,201	974,233	853,096
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	626,560	516,246	369,430	467,515	342,053
4	INTEREST CAPITALIZED	16,907-	43,075-	35,769-	87,452-	53,637-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	2,602,270	1,906,477	2,029,121	2,108,473	1,932,734
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	132,123	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	2,602,270	2,038,600	2,029,121	2,108,473	1,932,734
10	LESS DIVIDENDS: PREFERRED	1,313	4,106	6,045	8,210	8,570
11	COMMON	297,293	275,386	250,352	244,094	228,446
12	NET FUNDS FROM INTERNAL SOURCES	2,303,664	1,759,108	1,772,724	1,856,169	1,695,718
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	2,465,796	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	300,000	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	300,000		2,465,796	-
20	OTHER SOURCES (NET)	16,226	76,984	41,997	117,851	451,374
21						
22						
23	TOTAL FUNDS PROVIDED	$ 2,319,890	$ 2,136,092	$ 1,814,721	$ 4,439,816	$ 2,147,092
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 1,097,025	$ 1,685,277	$ 1,098,188	$ 2,190,923	$ 2,166,432
25	NON-UTILITY PLANT	-	-	-		-
26	OTHER		-	-		-
27	TOTAL GROSS ADDITIONS	1,097,025	1,685,277	1,098,188	2,190,923	2,166,432
28	LESS INTEREST CAPITALIZED	16,907	43,075	35,769	87,452	53,637
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,080,118	1,642,202	1,062,419	2,103,471	2,112,795
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	75,870	73,996	59,275	-	-
31	PREFERRED STOCK	52,500	38,800	40,300	39,800	
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	
33	NET DECREASE IN SHORT TERM DEBT	300,000	-	-	-	-
34	OTHER (NET)	-	-	-	800,000	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	428,370	112,796	99,575	839,800	-
37	OTHER USES (NET)	811,402	381,094	652,727	1,496,545	34,297
38						
39						
40	TOTAL FUNDS APPLIED	$ 2,319,890	$ 2,136,092	$ 1,814,721	$ 4,439,816	$ 2,147,092

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT.

YEARS ENDING DECEMBER 31

TACONIC TELEPHONE CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 2,662,188	$ 2,467,210	$ 2,262,429	$ 2,158,239	$ 2,005,705	1
ACCESS REVENUES	3,343,526					2
TOLL REVENUES	1,942,787	5,012,417	5,767,586	5,290,768	4,545,457	3
MISCELLANEOUS REVENUES	1,582,755	1,159,822	321,210	327,427	290,702	4
UNCOLLECTIBLE REVENUES-DR	42,779	29,000	20,300	38,500	34,200	5
TOTAL TELEPHONE OPERATING REVENUE	$ 9,488,477	$ 8,610,449	$ 8,330,925	$ 7,737,934	$ 6,807,664	6
TELEPHONE ACCESS LINES IN SERVICE	18,250	18,080	17,310	16,498	16,104	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 146.64	$ 139.51	$ 133.84	$ 132.28	$ 128.17	8
ACCESS REVENUE	184.17					9
TOLL REVENUE	107.01	283.43	341.20	324.57	285.94	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 2,163,972	$ 2,179,758	$ 2,010,692	$ 1,802,407	$ 1,515,581	11
DEPRECIATION + AMORTIZATION EXPENSES	1,151,040	1,084,693	1,042,989	972,021	850,685	12
TRAFFIC EXPENSES	323,844	318,308	292,204	273,659	249,700	13
COMMERCIAL EXPENSES	584,389	542,974	556,432	542,234	444,076	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	956,519	819,496	740,683	765,489	591,997	16
OTHER OPERATING EXPENSES	788,739	687,708	638,148	548,425	452,482	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 5,968,503	$ 5,632,937	$ 5,281,148	$ 4,904,235	$ 4,104,721	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 24,550,978	$ 23,911,450	$ 22,208,186	$ 21,178,783	$ 19,029,000	19
PLANT UNDER CONSTRUCTION	177,027	122,140	414,366	332,003	480,252	20
PROPERTY HELD FOR FUTURE USE	296,788	296,788	296,788	376,876	367,922	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-		-	23
TOTAL TELEPHONE UTILITY PLANT	25,024,793	24,330,378	22,919,338	21,887,662	19,877,174	24
ACCUMULATED PROVISION FOR DEPR+AMORT	9,769,192	9,020,762	8,210,307	7,233,829	6,442,243	25
NET TELEPHONE PLANT	$ 15,255,601	$ 15,309,616	$ 14,709,032	$ 14,653,833	$ 13,434,931	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 23,911,450	$ 22,208,186	$ 21,178,783	$ 19,029,000	$ 17,311,498	27
ADDITIONS	1,096,862	2,007,770	1,169,921	2,712,174	2,262,619	28
RETIREMENTS	457,334	304,506	140,518	298,276	176,232	29
TRANSFERS AND ADJUSTMENTS	-	-	-	264,115	368,885	30
PLANT IN SERVICE END OF YEAR	$ 24,550,978	$ 23,911,450	$ 22,208,186	$ 21,178,783	$ 19,029,000	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

TACONIC TELEPHONE CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 9,488,477	$ 8,610,449	$ 8,330,925	$ 7,737,934	$ 6,807,664
2	ACCESS LINES (AVERAGE*)	18,155	17,685	16,904	16,301	15,897
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 2,868,738	$ 2,715,847	$ 2,488,683	$ 2,449,484	$ 1,972,286
4	OTHER OPERATION AND MAINTENANCE EXPENSES	1,948,725	1,832,397	1,749,478	1,482,730	1,281,550
5	DEPRECIATION AND AMORTIZATION EXPENSES	1,151,040	1,084,693	1,042,989	972,021	850,885
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	614,990	545,192	532,989	448,259	488,727
8	OTHER TAXES - OPERATING	1,120,824	1,062,824	1,016,011	830,178	741,386
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	983,873	889,753	929,587	870,027	712,543
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1,298	3,977	5,902	7,686	8,195
11	EARNINGS AVAILABLE FOR COMMON EQUITY	798,992	475,768	585,308	677,550	752,092
12	TOTAL	$ 9,488,477	$ 8,610,449	$ 8,330,925	$ 7,737,934	$ 6,807,664
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	30.2	31.5	29.9	31.7	29.0
14	OTHER OPERATION AND MAINTENANCE EXPENSES	20.5	21.3	21.0	19.2	18.8
15	DEPRECIATION AND AMORTIZATION EXPENSES	12.1	12.6	12.5	12.6	12.5
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	6.5	6.3	6.4	5.8	7.2
18	OTHER TAXES - OPERATING	11.8	12.3	12.2	10.7	10.9
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	10.4	10.3	11.2	11.2	10.5
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	0.1	0.1	0.1
21	EARNINGS AVAILABLE FOR COMMON EQUITY	8.4	5.5	6.8	8.8	11.0
22	TOTAL	100.0	100.0	100.0	100.0	100.0
			DOLLARS PER AVERAGE ACCESS LINE PER MONTH			
23	WAGES AND BENEFITS	$ 13.17	$ 12.80	$ 12.27	$ 12.52	$ 10.34
24	OTHER OPERATION AND MAINTENANCE EXPENSES	8.94	8.63	8.62	7.58	6.72
25	DEPRECIATION AND AMORTIZATION EXPENSES	5.28	5.11	5.14	4.97	4.46
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	2.82	2.57	2.63	2.29	2.56
28	OTHER TAXES - OPERATING	5.14	5.01	5.01	4.24	3.89
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.52	4.19	4.58	4.45	3.74
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.01	0.02	0.03	0.04	0.04
31	EARNINGS AVAILABLE FOR COMMON EQUITY	3.67	2.24	2.79	3.46	3.94
32	TOTAL	$ 43.55	$ 40.57	$ 41.07	$ 39.56	$ 35.69

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

TOWNSHIP TELEPHONE COMPANY, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 4,175,182	$ 3,724,306	$ 3,540,804	$ 3,299,562	$ 3,059,660
2	ACCUMULATED PROVISION FOR DEPR+AMORT	1,323,510	1,368,825	1,216,698	1,084,336	981,019
3	NET TELEPHONE PLANT	2,851,672	2,355,481	2,324,106	2,215,226	2,078,641
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-		-
6	MISCELLANEOUS PHYSICAL PROPERTY	9,656	-	1,500	1,500	1,500
7	OTHER INVESTMENTS AND FUNDS	8,000	-	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	17,656	-	1,500	1,500	1,500
9	CASH AND WORKING FUNDS	44,707	103,875	15,661	11,307	12,546
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	30,801	60,958	1,203	264	3,274
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	90,810	106,390	86,129	29,027	33,437
15	MATERIALS AND SUPPLIES*	35,182	35,319	28,911	21,835	34,132
16	PREPAYMENTS	81,784	83,288	72,444	53,725	36,879
17	OTHER CURRENT AND ACCRUED ASSETS	28,565	17,896	12,734	7,903	5,202
18	TOTAL CURRENT AND ACCRUED ASSETS	311,849	407,726	217,082	124,061	125,470
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	38,534	40,664	42,793	44,923	47,009
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	-	3,000	-	12,209	41,298
23	TOTAL DEFERRED DEBITS	38,534	43,664	42,793	57,132	88,307
24	TOTAL ASSETS AND OTHER DEBITS	3,219,711	$ 2,806,871	$ 2,585,481	$ 2,397,919	$ 2,293,918
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 48,400	$ 48,400	$ 48,400	$ 48,400	$ 48,400
26	PREFERRED CAPITAL STOCK	47,520	47,520	47,520	47,520	47,520
27	STOCK LIABILITY FOR CONVERSION	250	250	250	250	250
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	30,339	30,339	30,339	30,339	30,339
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	500,672	411,204	262,563	147,937	97,234
34	TOTAL PROPRIETARY CAPITAL	627,181	537,713	389,072	274,446	223,743
35	BONDS(LESS BONDS REACQUIRED)	-	-	-	-	-
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	1,812,461	1,866,688	1,917,434	1,858,817	1,842,158
38	TOTAL LONG-TERM DEBT	1,812,461	1,866,688	1,917,434	1,858,817	1,842,158
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	4,442
40	OTHER NOTES AND ACCOUNTS PAYABLE	496,614	162,674	129,703	184,028	165,844
41	CUSTOMERS' DEPOSITS	1,020	7,904	8,706	9,351	9,111
42	ADVANCE BILLING AND PAYMENTS	-	-	-	-	-
43	TAXES ACCRUED	2,545	1,748	2,066	750	312
44	OTHER CURRENT AND ACCRUED LIABILITIES	33,434	32,070	31,692	18,598	18,192
45	TOTAL CURRENT AND ACCRUED LIABILITIES	533,613	204,396	172,167	212,727	197,901
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	84,545	92,210	50,024	19,492	15,490
48	OTHER DEFERRED CREDITS	2,900	-	1,250	1,250	1,250
49	TOTAL DEFERRED CREDITS	87,445	92,210	51,274	20,742	16,740
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMILATED DEFERRED INCOME TAXES	159,011	105,864	55,534	31,187	13,376
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,219,711	$ 2,806,871	$ 2,585,481	$ 2,397,919	$ 2,293,918
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	3.58	3.24	3.64	4.10	4.35
54	CURRENT ASSETS/CURRENT LIABILITIES	0.58	1.99	1.26	0.58	0.63
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	74.2	77.6	83.1	87.1	89.1
56	PREFERRED STOCK	1.9	1.9	2.0	2.2	2.3
57	COMMON STOCK+OTHER PAID-IN CAPITAL	3.2	3.2	3.4	3.7	3.8
58	RETAINED EARNINGS	20.5	17.1	11.3	6.9	4.7
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	43.4	50.1	54.1	56.3	60.2
60	PERCENT OF NET TELEPHONE PLANT	63.5	79.2	82.5	83.9	88.6
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	31.8	36.7	34.3	32.8	32.0

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

TOWNSHIP TELEPHONE COMPANY, INC

ITEM	1985	1984	1983	1982	1981	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,102,942	$ 1,121,504	$ 939,917	$ 774,939	$ 680,768	1
OPERATION AND MAINTENANCE EXPENSE	548,796	486,025	417,600	389,520	337,173	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	167,358	158,765	145,054	125,506	116,087	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	143,289	145,886	131,482	98,825	79,317	6
INCOME TAXES-OPERATING	-	60,020	36,699	5,840	8,329	7
OPERATING INCOME TAXES DEFERRED	53,779	44,430	37,400	19,375	10,862	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	633-	-	7,153-	1,584-	-	9
TOTAL OPERATING EXPENSES	912,589	893,126	761,082	637,501	551,768	10
TOTAL TELEPHONE OPERATING INCOME	190,353	228,378	178,835	137,438	129,000	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	2,022	1,743	-	-	-	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	4,223	3,038	-	-	-	16
MISCELLANEOUS INCOME	9,304	7,664	6,759	1,805	1,231	17
TOTAL OTHER INCOME	15,549	12,445	6,759	1,805	1,231	18
TOTAL INCOME	205,902	240,823	185,594	139,243	130,231	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	118	-	-	-	21
MISCELLANEOUS INCOME CHARGES	11,783	12,395	14,748	13,015-	28,922	22
TOTAL INCOME DEDUCTIONS	11,783	12,511	14,748	13,015-	28,922	23
INCOME BEFORE INTEREST CHARGES	194,119	228,312	170,846	152,258	101,309	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	67,431	68,886	68,885	63,371	61,705	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	2,129	2,130	2,129	2,087	1,959	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	32,225	5,884	5,993	6,140	2,869	29
TOTAL INTEREST CHARGES	101,785	76,900	77,007	71,598	66,533	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	92,334	151,412	93,839	80,660	34,776	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	95	30,579	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	12,826-	27,090-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	5,900-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	95	23,653	27,090-	-	35
NET INCOME	$ 92,334	$ 151,507	$ 117,492	$ 53,570	$ 34,776	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 411,204	$ 282,563	$ 147,937	$ 97,234	$ 65,325	37
BALANCE TRANSFERRED FROM INCOME	92,334	151,507	117,492	53,570	34,776	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	2,866	2,866	2,866	2,867	2,867	42
-COMMON STOCK	-	-	-	-	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	500,672	411,204	282,563	147,937	97,234	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 500,672	$ 411,204	$ 282,563	$ 147,937	$ 97,234	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	49.7	43.3	44.4	50.2	49.5	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	15.1	13.9	16.4	16.1	17.0	49
TOTAL INCOME TAXES-OPERATING	4.8	9.3	7.1	3.1	2.8	50
OTHER TAXES-OPERATING	12.9	13.0	13.9	12.7	11.6	51
TOTAL OPERATING EXPENSES	82.7	79.6	80.9	82.2	81.0	52
OPERATING INCOME	17.2	20.3	19.0	17.7	18.9	53
DEPR. AND AMORT.% OF TELEPHONE PLANT	4.0	4.2	4.0	3.8	3.7	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	9.2	6.9	8.2	9.2	9.8	55
PRETAX INTEREST COVERAGE	2.4	4.2	3.0	2.4	1.8	56
NET INCOME-PERCENT OF OPERATING REVENUES	8.3	13.5	12.5	6.9	5.1	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.2	0.2	0.3	0.3	0.4	58
TIMES EARNED	32.2	52.9	41.0	18.7	12.1	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	-	-	-	-	-	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	16.7	35.7	40.3	25.1	19.9	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	-	-	-	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

TOWNSHIP TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 92,334	$ 151,412	$ 93,839	$ 80,660	$ 34,776
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	184,247	172,846	159,920	140,498	130,667
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	45,482	92,516	54,879	21,813	17,899
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET):	58,053	7,758	-	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	380,116	424,532	308,638	242,969	183,342
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	95	23,653	27,090-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	380,116	424,627	332,291	215,879	183,342
10	LESS DIVIDENDS: PREFERRED	2,866	2,866	2,866	2,867	2,866
11	COMMON	-	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	377,250	421,761	329,425	213,012	180,476
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	108,000	62,000	57,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	303,420	-	-	47,878	-
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	303,420	-	108,000	109,878	57,000
20	OTHER SOURCES (NET):	124,674	250	13,360	29,089	133,047
21						
22						
23	TOTAL FUNDS PROVIDED	$ 805,344	$ 422,011	$ 450,785	$ 351,979	$ 370,523
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 743,117	$ 209,850	$ 267,822	$ 272,457	$ 242,321
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	743,117	209,850	267,822	272,457	242,321
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	743,117	209,850	267,822	272,457	242,321
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	54,227	50,746	49,382	45,341	35,853
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	14,359	13,070		37,234
34	OTHER (NET):	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	54,227	65,105	62,452	45,341	73,087
37	OTHER USES (NET):	8,000	147,056	120,511	34,181	55,115
38						
39						
40	TOTAL FUNDS APPLIED	$ 805,344	$ 422,011	$ 450,785	$ 351,979	$ 370,523

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

TOWNSHIP TELEPHONE COMPANY, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 407,913	$ 393,392	$ 372,798	$ 362,839	$ 342,724	1
ACCESS REVENUES	243,418					2
TOLL REVENUES	403,939	681,849	558,085	417,319	329,580	3
MISCELLANEOUS REVENUES	59,866	48,957	15,838	15,648	16,032	4
UNCOLLECTIBLE REVENUES-DR	12,194	2,694	6,784	10,867	7,568	5
TOTAL TELEPHONE OPERATING REVENUE	$ 1,102,942	$ 1,121,504	$ 939,917	$ 774,939	$ 680,768	6
TELEPHONE ACCESS LINES IN SERVICE	4,436	4,221	4,060	3,923	3,751	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 94.24	$ 95.01	$ 93.40	$ 91.98	$ 92.42	8
ACCESS REVENUE	56.24					9
TOLL REVENUE	93.32	164.68	139.81	108.76	88.87	10

*YEAR END AVERAGE

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 234,472	$ 205,839	$ 168,339	$ 155,810	$ 117,861	11
DEPRECIATION + AMORTIZATION EXPENSES	187,358	156,765	145,054	125,505	116,087	12
TRAFFIC EXPENSES	28,780	25,925	23,052	22,399	21,020	13
COMMERCIAL EXPENSES	66,218	48,259	50,182	58,798	49,906	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	107,975	101,667	93,332	88,485	85,744	16
OTHER OPERATING EXPENSES	111,351	104,335	82,695	64,030	62,652	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 716,154	$ 642,790	$ 562,654	$ 515,025	$ 453,260	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 4,113,986	$ 3,652,318	$ 3,507,199	$ 3,216,585	$ 2,950,345	19
PLANT UNDER CONSTRUCTION	50,244	55,560	11,701	55,597	76,459	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	10,952	-	-	-	32,856	22
PLANT ADJUSTMENTS	-	16,428	21,904	27,380	-	23
TOTAL TELEPHONE UTILITY PLANT	4,175,182	3,724,306	3,540,804	3,299,562	3,059,660	24
ACCUMULATED PROVISION FOR DEPR+AMORT	1,323,510	1,368,825	1,216,698	1,084,336	981,019	25
NET TELEPHONE PLANT	$ 2,851,672	$ 2,355,481	$ 2,324,106	$ 2,215,226	$ 2,078,641	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 3,652,320	$ 3,507,199	$ 3,216,585	$ 2,950,345	$ 2,763,409	27
ADDITIONS	748,431	165,991	311,718	293,319	230,741	28
RETIREMENTS	276,994	20,870	21,104	27,079	43,805	29
TRANSFERS AND ADJUSTMENTS	9,771-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 4,113,986	$ 3,652,320	$ 3,507,199	$ 3,216,585	$ 2,950,345	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

TOWNSHIP TELEPHONE COMPANY, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,102,942	$ 1,121,504	$ 939,917	$ 774,939	$ 680,768
2	ACCESS LINES (AVERAGE*)	4,329	4,141	3,992	3,837	3,709
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 315,568	$ 283,708	$ 243,527	$ 207,886	$ 191,584
4	OTHER OPERATION AND MAINTENANCE EXPENSES	233,228	202,318	174,073	181,634	145,589
5	DEPRECIATION AND AMORTIZATION EXPENSES	167,388	156,765	145,054	125,505	116,087
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	53,146	104,450	66,946	23,651	19,191
8	OTHER TAXES - OPERATING	143,289	145,886	131,482	98,825	79,317
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	101,786	76,900	77,007	71,598	66,533
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	2,866	2,866	2,866	2,867	2,867
11	EARNINGS AVAILABLE FOR COMMON EQUITY	85,702	148,612	98,962	62,973	59,600
12	TOTAL	$ 1,102,942	$ 1,121,504	$ 939,917	$ 774,939	$ 680,768
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	28.6	25.3	25.9	26.8	28.1
14	OTHER OPERATION AND MAINTENANCE EXPENSES	21.1	18.0	18.5	23.4	21.4
15	DEPRECIATION AND AMORTIZATION EXPENSES	15.2	14.0	15.4	16.2	17.1
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	4.8	9.3	7.1	3.1	2.8
18	OTHER TAXES - OPERATING	13.0	13.0	14.0	12.8	11.7
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	9.2	6.9	8.2	9.2	9.8
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.3	0.3	0.3	0.4	0.4
21	EARNINGS AVAILABLE FOR COMMON EQUITY	7.8	13.3	10.5	8.1	8.8
22	TOTAL	100.0	100.0	100.0	100.0	100.0
			DOLLARS PER AVERAGE ACCESS LINE PER MONTH			
23	WAGES AND BENEFITS	$ 6.08	$ 5.71	$ 5.08	$ 4.51	$ 4.31
24	OTHER OPERATION AND MAINTENANCE EXPENSES	4.49	4.07	3.63	3.94	3.27
25	DEPRECIATION AND AMORTIZATION EXPENSES	3.22	3.16	3.03	2.73	2.61
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	1.02	2.10	1.40	0.51	0.43
28	OTHER TAXES - OPERATING	2.76	2.94	2.75	2.15	1.78
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1.96	1.55	1.61	1.56	1.50
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.06	0.06	0.06	0.06	0.06
31	EARNINGS AVAILABLE FOR COMMON EQUITY	1.65	2.99	2.07	1.37	1.34
32	TOTAL	$ 21.23	$ 22.57	$ 19.62	$ 16.83	$ 15.30

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

TRUMANSBURG HOME TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 5,876,331	$ 5,488,192	$ 5,036,616	$ 4,753,701	$ 4,432,241
2	ACCUMULATED PROVISION FOR DEPR+AMORT	2,276,620	1,999,753	1,831,988	1,667,133	1,510,018
3	NET TELEPHONE PLANT	3,599,711	3,488,439	3,204,628	3,086,568	2,922,223
4	INVESTMENTS IN AFFILIATED COMPANIES	94,070	83,993	56,042	18,875	8,080
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	4,233	5,236	3,094	-	6,733
7	OTHER INVESTMENTS AND FUNDS	8,000	3,000	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	106,303	92,229	59,136	18,875	14,813
9	CASH AND WORKING FUNDS	553,149	151,724	262,855	64,860	43,707
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	69,269	471,253	58,146	53,354	37,863
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	70,243	4,890	2,378	1,650	3,559
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	457,345	132,260	76,959	63,561	40,992
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	-	274,527	221,528	173,172	194,043
15	MATERIALS AND SUPPLIES*	146,212	140,438	115,078	113,399	112,001
16	PREPAYMENTS	10,553	6,339	14,846	14,030	16,787
17	OTHER CURRENT AND ACCRUED ASSETS	180,517	137,676	155,444	122,343	94,183
18	TOTAL CURRENT AND ACCRUED ASSETS	1,487,288	1,319,107	907,234	606,369	543,135
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	4,451	5,149	5,847	6,545	4,350
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	26,419	9,461	18,450	9,286	8,642
23	TOTAL DEFERRED DEBITS	30,870	14,610	24,297	15,831	12,992
24	TOTAL ASSETS AND OTHER DEBITS	5,224,172	$ 4,914,385	$ 4,195,295	$ 3,727,643	$ 3,493,163
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 240,000	$ 240,000	$ 240,000	$ 240,000	$ 240,000
26	PREFERRED CAPITAL STOCK	245,000	245,000	245,000	245,000	245,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	42,600	42,600	42,600	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	2,741,769	2,401,085	1,881,712	1,550,512	1,348,421
34	TOTAL PROPRIETARY CAPITAL	3,269,369	2,928,685	2,409,312	2,035,512	1,833,421
35	BONDS(LESS BONDS REACQUIRED)	683,500	688,500	693,500	698,500	703,750
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	683,500	688,500	693,500	698,500	703,750
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	206,062	28,669	49,009	57,612	44,789
40	OTHER NOTES AND ACCOUNTS PAYABLE	127,437	255,802	195,108	287,283	338,369
41	CUSTOMERS'DEPOSITS	-	15,342	15,835	11,310	10,050
42	ADVANCE BILLING AND PAYMENTS	28,558	29,917	21,580	19,147	19,762
43	TAXES ACCRUED	48,863	184,664	140,379	38,193	36,146
44	OTHER CURRENT AND ACCRUED LIABILITIES	28,159	32,008	29,426	21,328	30,249
45	TOTAL CURRENT AND ACCRUED LIABILITIES	439,079	546,402	451,337	434,873	479,365
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	268,648	245,168	218,818	194,748	165,496
48	OTHER DEFERRED CREDITS	-	1,934	3,869	5,803	7,737
49	TOTAL DEFERRED CREDITS	268,648	247,102	222,687	200,551	173,233
50	OPERATING RESERVES	-	2,500	2,500	4,000	4,000
51	ACCUMULATED DEFERRED INCOME TAXES	563,576	501,196	415,959	354,207	299,394
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 5,224,172	$ 4,914,385	$ 4,195,295	$ 3,727,643	$ 3,493,163
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.35	2.11	2.34	2.67	2.92
54	CURRENT ASSETS/CURRENT LIABILITIES	3.39	2.41	2.01	1.39	1.13
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	17.2	19.0	22.3	25.5	27.7
56	PREFERRED STOCK	6.1	6.7	7.8	8.9	9.6
57	COMMON STOCK+OTHER PAID-IN CAPITAL	7.1	7.8	9.1	8.7	9.4
58	RETAINED EARNINGS	69.3	66.3	60.6	56.7	53.1
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	11.6	12.5	13.7	14.6	15.8
60	PERCENT OF NET TELEPHONE PLANT	18.9	19.7	21.6	22.6	24.0
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	38.7	36.4	36.3	35.0	34.0

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

TRUMANSBURG HOME TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES $	2,413,343 $	2,499,072 $	2,088,565 $	1,720,210 $	1,445,864	1
OPERATION AND MAINTENANCE EXPENSE	1,148,642	1,035,031	968,091	942,119	755,234	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	307,528	220,916	208,868	187,620	192,704	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	278,273	256,260	217,885	188,609	161,197	6
INCOME TAXES-OPERATING	156,830	271,750	170,653	26,606	17,857	7
OPERATING INCOME TAXES DEFERRED	62,257	85,332	61,753	54,813	44,553	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	-	-	-	-	9
TOTAL OPERATING EXPENSES	1,953,530	1,869,289	1,627,250	1,399,967	1,171,545	10
TOTAL TELEPHONE OPERATING INCOME	459,813	629,783	461,315	320,243	274,319	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	58,641	67,978	27,466	25,375	24,250	13
ALLOWANCE FOR CONSTRUCTION FUNDS	5,710	1,985	2,448	5,141	3,393	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	526	1,191	1,039	557	1,338	16
MISCELLANEOUS INCOME	10,131	19,035	13,413	15,531	10,800	17
TOTAL OTHER INCOME	75,008	90,189	44,366	46,604	39,781	18
TOTAL INCOME	534,821	719,972	505,681	366,847	314,100	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	2,199	2,549	1,030	981	-	20
INCOME TAXES-NONOPERATING	25,485	31,504	12,337	11,362	11,736	21
MISCELLANEOUS INCOME CHARGES	1,816	1,904	1,923	1,452	1,629	22
TOTAL INCOME DEDUCTIONS	29,500	35,957	15,290	13,795	13,365	23
INCOME BEFORE INTEREST CHARGES	505,321	684,015	490,391	353,052	300,735	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	89,325	89,535	90,075	81,870	49,589	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	698	698	699	777	817	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	12,000	14,904	11,457	18,056	18,602	29
TOTAL INTEREST CHARGES	102,023	105,137	102,231	100,703	69,008	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	403,298	578,878	388,160	252,349	231,727	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME $	403,298 $	578,878 $	388,160 $	252,349 $	231,727	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR $	2,401,087 $	1,881,712 $	1,550,512 $	1,348,421 $	1,164,794	37
BALANCE TRANSFERRED FROM INCOME	403,298	578,878	388,160	252,349	231,727	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	15,700	15,700	15,700	15,700	15,700	42
-COMMON STOCK	46,912	43,803	41,260	34,558	32,400	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,741,769	2,401,087	1,881,712	1,550,512	1,348,421	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR $	2,741,769 $	2,401,085 $	1,881,712 $	1,550,512 $	1,348,421	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	47.5	41.4	46.3	54.7	52.2	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	12.7	8.8	10.0	10.9	13.3	49
TOTAL INCOME TAXES-OPERATING	9.1	14.3	11.1	4.7	4.3	50
OTHER TAXES-OPERATING	11.5	10.2	10.4	10.9	11.1	51
TOTAL OPERATING EXPENSES	80.9	74.7	77.9	81.3	81.0	52
OPERATING INCOME	19.0	25.2	22.0	18.6	18.9	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.2	4.0	4.1	3.9	4.3	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	4.2	4.2	4.9	5.9	4.8	55
PRETAX INTEREST COVERAGE	7.4	10.2	7.2	4.4	5.4	56
NET INCOME-PERCENT OF OPERATING REVENUES	16.7	23.1	18.5	14.6	16.0	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.6	0.6	0.7	0.9	1.0	58
TIMES EARNED	25.7	36.9	24.7	16.1	14.8	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	1.9	1.7	1.9	2.0	2.2	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	12.1	7.7	11.0	14.6	14.9	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	13.5	23.2	18.8	14.0	14.4	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	1.6	1.8	2.0	2.0	2.1	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

TRUMANSBURG HOME TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 403,298	$ 578,878	$ 388,160	$ 252,349	$ 221,727
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	331,016	242,856	230,337	209,070	193,521
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	85,860	111,587	86,751	84,993	69,043
4	INTEREST CAPITALIZED	5,710-	1,985-	2,448-	5,141-	3,393-
5	OTHER (NET):	40,241-	-	-	-	
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	774,223	931,336	702,800	541,271	490,898
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	774,223	931,336	702,800	541,271	490,898
10	LESS DIVIDENDS: PREFERRED	15,700	15,700	15,700	15,700	15,700
11	COMMON	46,912	43,803	41,260	34,558	32,400
12	NET FUNDS FROM INTERNAL SOURCES	711,611	871,833	645,840	491,013	442,798
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	488,500	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	13,080	-	-
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	13,080	488,500	
20	OTHER SOURCES (NET)	13,035	29,909	13,159	2,439	49,333
21						
22						
23	TOTAL FUNDS PROVIDED	$ 724,646	$ 901,742	$ 672,079	$ 981,952	$ 492,131
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 451,667	$ 511,256	$ 331,695	$ 348,297	$ 468,305
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	12,951	37,167	10,795	
27	TOTAL GROSS ADDITIONS	451,667	524,207	368,862	359,092	468,305
28	LESS INTEREST CAPITALIZED	5,710	1,985	2,448	5,141	3,393
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	445,957	522,222	366,414	353,951	464,912
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	5,000	5,000	5,000	493,750	-
31	PREFERRED STOCK	-	-	-	-	8,750
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	
33	NET DECREASE IN SHORT TERM DEBT	4,650	950	-	17,550	3,200
34	OTHER (NET):	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	9,650	5,950	5,000	511,300	11,950
37	OTHER USES (NET)	269,039	373,570	300,665	116,701	15,269
38						
39						
40	TOTAL FUNDS APPLIED	$ 724,646	$ 901,742	$ 672,079	$ 981,952	$ 492,131

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT.

YEARS ENDING DECEMBER 31

TRUMANSBURG HOME TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO.
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 905,751	$ 866,196	$ 848,427	$ 768,014	$ 700,627	1
ACCESS REVENUES	887,474					2
TOLL REVENUES	383,408	1,549,575	1,170,425	887,010	702,299	3
MISCELLANEOUS REVENUES	245,713	98,301	79,713	72,186	60,938	4
UNCOLLECTIBLE REVENUES-DR	9,000	15,000	10,000	7,000	18,000	5
TOTAL TELEPHONE OPERATING REVENUE	$ 2,413,343	$ 2,499,072	$ 2,088,565	$ 1,720,210	$ 1,445,864	6
TELEPHONE ACCESS LINES IN SERVICE	5,379	5,145	4,979	4,843	4,801	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 172.13	$ 171.12	$ 172.76	$ 159.27	$ 146.77	8
ACCESS REVENUE	168.66					9
TOLL REVENUE	72.88	308.12	238.33	183.95	147.12	10

*YEAR END AVERAGE

ITEM	1985	1984	1983	1982	1981	LINE NO.
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 557,678	$ 522,470	$ 481,420	$ 478,950	$ 354,443	11
DEPRECIATION + AMORTIZATION EXPENSES	307,528	220,918	208,868	187,820	192,704	12
TRAFFIC EXPENSES	34,591	31,903	21,772	24,120	22,893	13
COMMERCIAL EXPENSES	214,924	201,563	204,054	201,976	171,719	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	194,363	172,705	139,988	119,157	104,660	16
OTHER OPERATING EXPENSES	147,088	106,390	120,857	119,916	101,519	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,456,170	$ 1,255,947	$ 1,176,959	$ 1,129,939	$ 947,938	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 5,760,193	$ 5,371,035	$ 5,007,558	$ 4,685,405	$ 4,357,431	19
PLANT UNDER CONSTRUCTION	116,138	93,900	29,058	68,296	74,810	20
PROPERTY HELD FOR FUTURE USE	-	23,257	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	5,876,331	5,488,192	5,036,616	4,753,701	4,432,241	24
ACCUMULATED PROVISION FOR DEPR+AMORT	2,276,620	1,999,753	1,831,988	1,667,133	1,510,018	25
NET TELEPHONE PLANT	$ 3,599,711	$ 3,488,439	$ 3,204,628	$ 3,086,568	$ 2,922,223	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 5,371,035	$ 5,007,558	$ 4,685,405	$ 4,357,431	$ 3,922,552	27
ADDITIONS	429,429	423,157	370,933	354,811	493,670	28
RETIREMENTS	40,271	59,680	48,780	34,959	58,791	29
TRANSFERS AND ADJUSTMENTS	-	-	-	8,122	-	30
PLANT IN SERVICE END OF YEAR	$ 5,760,193	$ 5,371,035	$ 5,007,558	$ 4,685,405	$ 4,357,431	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

TRUMANSBURG HOME TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 2,413,343	$ 2,499,072	$ 2,088,565	$ 1,720,210	$ 1,445,864
2	ACCESS LINES (AVERAGE*)	5,262	5,062	4,911	4,822	4,774
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 776,687	$ 649,251	$ 658,275	$ 653,386	$ 541,323
4	OTHER OPERATION AND MAINTENANCE EXPENSES	371,955	385,780	309,816	288,133	213,911
5	DEPRECIATION AND AMORTIZATION EXPENSES	307,528	220,916	208,888	187,520	192,704
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	219,087	357,082	232,406	81,419	62,410
8	OTHER TAXES - OPERATING	278,273	256,260	217,885	188,609	161,197
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	100,881	104,847	101,739	99,305	68,346
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	15,500	15,648	15,614	15,433	15,490
11	EARNINGS AVAILABLE FOR COMMON EQUITY	343,432	509,288	343,962	205,505	190,483
12	TOTAL	$ 2,413,343	$ 2,499,072	$ 2,088,565	$ 1,720,210	$ 1,445,864
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	32.2	26.0	31.5	38.0	37.4
14	OTHER OPERATION AND MAINTENANCE EXPENSES	15.4	15.4	14.8	16.7	14.8
15	DEPRECIATION AND AMORTIZATION EXPENSES	12.7	8.8	10.0	10.9	13.3
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	9.1	14.3	11.1	4.7	4.3
18	OTHER TAXES - OPERATING	11.5	10.3	10.4	11.0	11.1
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.2	4.2	4.9	5.8	4.7
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.6	0.6	0.7	0.9	1.1
21	EARNINGS AVAILABLE FOR COMMON EQUITY	14.2	20.4	16.5	11.9	13.2
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 12.30	$ 10.69	$ 11.17	$ 11.30	$ 9.45
24	OTHER OPERATION AND MAINTENANCE EXPENSES	5.89	6.35	5.26	4.98	3.73
25	DEPRECIATION AND AMORTIZATION EXPENSES	4.87	3.64	3.54	3.25	3.36
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	3.47	5.88	3.94	1.41	1.09
28	OTHER TAXES - OPERATING	4.41	4.22	3.70	3.26	2.81
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1.60	1.73	1.73	1.72	1.19
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.25	0.26	0.26	0.27	0.27
31	EARNINGS AVAILABLE FOR COMMON EQUITY	5.44	8.38	5.84	3.55	3.33
32	TOTAL	$ 38.22	$ 41.14	$ 35.44	$ 29.73	$ 25.24

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

VERNON TELEPHONE COMPANY, INC

LINE NO. ITEM	1985	1984	1983	1982	1981
ASSETS AND OTHER DEBITS					
1 TELEPHONE PLANT	$ 3,357,088	$ 3,213,037	$ 2,984,585	$ 2,911,368	$ 2,848,320
2 ACCUMULATED PROVISION FOR DEPR+AMORT	715,297	1,185,893	1,042,015	899,829	762,280
3 NET TELEPHONE PLANT	2,641,791	2,027,144	1,942,570	2,011,539	2,086,040
4 INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5 ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6 MISCELLANEOUS PHYSICAL PROPERTY	38,558	11,957	11,957	-	-
7 OTHER INVESTMENTS AND FUNDS	18,500	18,500	18,500	18,500	13,500
8 TOTAL INVESTMENTS AND FUNDS	57,058	30,457	30,457	18,500	13,500
9 CASH AND WORKING FUNDS	25,098	7,184	53,430 *	28,507	56,691
10 SPECIAL CASH DEPOSITS	-	-	-	-	-
11 TEMPORARY CASH INVESTMENTS	5,287	77,378	135,244	211,183	112,214
12 NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13 OTHER NOTES AND ACCOUNTS RECEIVABLE	183,721	81,567	96,118	18,293	72,398
14 DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	108,317	98,748	119,107	113,237	97,805
15 MATERIALS AND SUPPLIES*	170,887	150,472	116,567	80,620	53,734
16 PREPAYMENTS	45,713	42,830	35,133	33,239	31,447
17 OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18 TOTAL CURRENT AND ACCRUED ASSETS	539,033	458,179	515,599	485,079	424,289
19 UNAMORTIZED DEBT DISCOUNT AND EXPENSE	5,185	5,362	37-	5,758	5,958
20 EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	5,560	-	-
21 RESEARCH AND DEVELOPMENT	-	-	-	-	-
22 OTHER DEFERRED DEBITS	-	-	-	-	-
23 TOTAL DEFERRED DEBITS	5,185	5,362	5,523	5,758	5,958
24 TOTAL ASSETS AND OTHER DEBITS	3,243,045 $	2,521,142 $	2,494,149 $	2,520,878 $	2,529,786
LIABILITIES AND OTHER CREDITS					
25 COMMON CAPITAL STOCK	$ 70,000	$ 70,000	$ 70,000	$ 70,000	$ 70,000
26 PREFERRED CAPITAL STOCK	88,500	88,500	88,800	95,000	95,000
27 STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28 PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29 CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30 INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31 OTHER PAID-IN CAPITAL	-	-	-	-	-
32 CAPITAL STOCK EXPENSE	-	-	-	-	-
33 RETAINED EARNINGS	646,890	520,997	584,615	556,546	534,308
34 TOTAL PROPRIETARY CAPITAL	803,390	679,497	743,415	721,546	699,308
35 BONDS(LESS BONDS REACQUIRED)	2,192,823	1,548,671	1,574,632	1,599,295	1,622,709
36 ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37 OTHER LONG-TERM DEBT	-	-	-	-	-
38 TOTAL LONG-TERM DEBT	2,192,823	1,548,671	1,574,632	1,599,295	1,622,709
39 NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40 OTHER NOTES AND ACCOUNTS PAYABLE	103,231	126,321	-	51,913	47,014
41 CUSTOMERS' DEPOSITS	-	1,693	19,567	-	-
42 ADVANCE BILLING AND PAYMENTS	4,266	6,128	-	6,720	4,885
43 TAXES ACCRUED	3,954	5,616	6,313	4,044	1,886
44 OTHER CURRENT AND ACCRUED LIABILITIES	22,373	27,931	38,258	27,044	17,813
45 TOTAL CURRENT AND ACCRUED LIABILITIES	133,824	167,689	64,138	81,533	71,598
46 UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47 ACCUM DEFERRED INVESTMENT TAX CREDITS	94,535	101,755	108,975	118,371	124,541
48 OTHER DEFERRED CREDITS	8,004	3,223	832	842-	842-
49 TOTAL DEFERRED CREDITS	102,539	104,978	109,807	117,529	123,699
50 OPERATING RESERVES	18,400	22,645	-	6,000-	-
51 ACCUMULATED DEFERRED INCOME TAXES	7,931-	2,338-	2,157	6,873	12,471
52 TOTAL LIABILITIES AND OTHER CREDITS	$ 3,243,045	$ 2,521,142	$ 2,494,149	$ 2,520,878	$ 2,529,786
SELECTED BALANCE SHEET RELATIONSHIPS					
53 TELEPHONE PLANT PER DOLLAR OF REVENUE	2.22	2.68	2.64	2.68	2.38
54 CURRENT ASSETS/CURRENT LIABILITIES	4.03	2.73	8.04	5.94	5.93
PERCENT OF CAPITALIZATION					
55 LONG-TERM DEBT	73.1	69.5	67.9	68.9	69.8
56 PREFERRED STOCK	2.8	3.9	3.8	4.0	4.0
57 COMMON STOCK+OTHER PAID-IN CAPITAL	2.3	3.1	3.0	3.0	3.0
58 RETAINED EARNINGS	21.5	23.3	25.2	23.9	23.0
LONG-TERM DEBT					
59 PERCENT OF GROSS TELEPHONE PLANT	65.3	48.1	52.7	54.9	56.9
60 PERCENT OF NET TELEPHONE PLANT	83.0	76.3	81.0	79.5	77.7
61 ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	21.3	36.9	34.9	30.9	26.7

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

VERNON TELEPHONE COMPANY, INC

ITEM		1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS							
TELEPHONE OPERATING INCOME							
OPERATING REVENUES	$	1,481,191 $	1,167,653 $	1,118,385 $	1,074,531 $	1,174,413	1
OPERATION AND MAINTENANCE EXPENSE		848,208	821,662	698,802	705,248	661,009	2
EXTRAORDINARY RETIREMENTS		-	-	-	-	-	3
DEPRECIATION		164,424	135,028	131,252	129,849	126,010	4
AMORTIZATION		-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING		134,581	143,903	128,128	120,126	116,656	6
INCOME TAXES-OPERATING		7,220-	7,220-	9,396-	6,170-	29,195	7
OPERATING INCOME TAXES DEFERRED		6,008-	4,023-	2,221-	1,580-	3,103-	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING		413	472-	2,489-	4,018-	2,963-	9
TOTAL OPERATING EXPENSES		1,134,380	1,089,086	944,070	943,455	926,204	10
TOTAL TELEPHONE OPERATING INCOME		346,811	78,587	174,285	131,076	248,209	11
OTHER INCOME							
DIVIDEND INCOME		425	400	350	350	-	12
INTEREST INCOME		3,225	12,158	13,775	19,944	11,152	13
ALLOWANCE FOR CONSTRUCTION FUNDS		-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS		-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY		10,556	-	-	-	-	16
MISCELLANEOUS INCOME		65,967-	35,450-	48,994-	15,785-	26,561-	17
TOTAL OTHER INCOME		51,761-	22,892-	34,869-	4,529	15,409-	18
TOTAL INCOME		295,050	55,695	139,416	135,605	232,800	19
INCOME DEDUCTIONS							
TAXES OTHER THAN INC. TAXES-NONOPERATING		-	-	-	-	-	20
INCOME TAXES-NONOPERATING		-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES		5,337	4,755	1,388	1,720	4,515	22
TOTAL INCOME DEDUCTIONS		5,337	4,755	1,388	1,720	4,515	23
INCOME BEFORE INTEREST CHARGES		289,713	50,940	138,028	133,885	228,285	24
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		69,330	86,052	87,412	88,671	89,895	25
AMORT. OF DEBT DISCOUNT AND EXPENSE		198	198	198	198	198	26
AMORT. OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES		-	-	-	-	-	28
OTHER INTEREST EXPENSE		82,593	459	222	-	678	29
TOTAL INTEREST CHARGES		152,121	86,709	87,832	88,869	90,771	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS		137,592	35,769-	50,196	45,016	137,514	31
EXTRAORDINARY/DELAYED ITEMS							
EXTRAORDINARY/DELAYED INCOME CREDITS		-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES		-	5,730-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS		-	-	-	-		34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT		-	5,730-	-	-		35
NET INCOME	$	137,592 $	41,499- $	50,196 $	45,016 $	137,514	36
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$	520,998 $	584,614 $	556,546 $	534,308 $	419,794	37
BALANCE TRANSFERRED FROM INCOME		137,592	41,499-	50,196	45,016	137,514	38
MISCELLANEOUS CREDITS		3,330	-	-	-	-	39
MISCELLANEOUS DEBITS		-	-	-	278	-	40
APPROPRIATIONS OF RETAINED EARNINGS		-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK		5,227	5,319	5,328	5,700	5,700	42
-COMMON STOCK		9,800	16,800	16,800	16,800	16,800	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR		646,890	520,998	584,614	556,546	534,308	44
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$	646,890 $	520,997 $	584,615 $	556,546 $	534,308	46
SELECTED INCOME ACCOUNT RELATIONSHIPS							
PERCENT OF TELEPHONE OPERATING REVENUES							
OPERATION AND MAINTENANCE EXPENSE		57.2	70.3	62.4	65.6	56.2	47
EXTRAORDINARY RETIREMENTS		-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION		11.1	11.5	11.7	12.0	10.7	49
TOTAL INCOME TAXES-OPERATING		0.8-	0.9-	1.2-	1.0-	1.9	50
OTHER TAXES-OPERATING		9.0	12.3	11.4	11.1	9.9	51
TOTAL OPERATING EXPENSES		76.5	93.2	84.4	87.8	78.8	52
OPERATING INCOME		23.4	6.7	15.5	12.1	21.1	53
DEPR. AND AMORT. % OF TELEPHONE PLANT		4.8	4.2	4.3	4.4	4.4	54
INTEREST EXPENSE:							
PERCENT OF OPERATING REVENUES		10.3	7.4	7.9	8.3	7.7	55
PRETAX INTEREST COVERAGE		1.8	0.5	1.4	1.4	2.8	56
NET INCOME-PERCENT OF OPERATING REVENUES		9.2	-	4.4	4.1	11.7	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK							
PERCENT OF OPERATING REVENUES		0.3	0.4	0.4	0.5	0.4	58
TIMES EARNED		26.3	-	9.4	7.9	24.1	59
DIVIDEND APPROPRIATIONS, COMMON STOCK							
PERCENT OF OPERATING REVENUES		0.6	1.4	1.5	1.5	1.4	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK		7.4	-	37.4	42.7	12.7	61
PERCENT OF AVERAGE COMMON EQUITY:							
EARNINGS AVAILABLE FOR COMMON STOCK		20.2	-	7.0	6.3	24.1	62
DIVIDEND APPROPRIATIONS, COMMON STOCK		1.4	2.6	2.6	2.7	3.0	63

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MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

VERNON TELEPHONE COMPANY, INC

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 137,592	$ 35,769-	$ 50,196	$ 45,016	$ 137,515
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	206,990	176,700	169,219	194,523	156,510
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	12,813-	11,715-	14,112-	11,768-	20,471
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	331,769	129,216	205,303	227,771	314,496
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	
9	TOTAL FUNDS FROM INTERNAL SOURCES	331,769	129,216	205,303	227,771	314,496
10	LESS DIVIDENDS: PREFERRED	5,227	5,319	5,328	5,700	5,700
11	COMMON	9,800	16,800	16,800	16,800	16,800
12	NET FUNDS FROM INTERNAL SOURCES	316,742	107,097	183,175	205,271	291,996
	EXTERNAL SOURCES					
13	LONG TERM DEBT	644,151	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	
16	NET INCREASE IN SHORT TERM DEBT	15,000	5,000	-	-	-
17	OTHER (NET)	3,330	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	662,481	5,000	-	-	-
20	OTHER SOURCES (NET)	9,085	225,372	16,331	44,481	41,963
21						
22						
23	TOTAL FUNDS PROVIDED	$ 988,308	$ 337,469	$ 199,506	$ 249,752	$ 333,959
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 825,744	$ 297,744	$ 108,708	$ 164,307	$ 208,196
25	NON-UTILITY PLANT	-	-	-		
26	OTHER	-	-	-		
27	TOTAL GROSS ADDITIONS	825,744	297,744	108,708	164,307	208,196
28	LESS INTEREST CAPITALIZED	-	-	-		-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	825,744	297,744	108,708	164,307	208,196
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	26,261	30,863	23,414	22,233
31	PREFERRED STOCK	2,000	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-		
33	NET DECREASE IN SHORT TERM DEBT	-	-	-		
34	OTHER (NET)	-	5,730	-		
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	2,000	31,991	30,863	23,414	22,233
37	OTHER USES (NET)	160,564	7,734	59,935	62,031	103,530
38						
39						
40	TOTAL FUNDS APPLIED	$ 988,308	$ 337,469	$ 199,506	$ 249,752	$ 333,959

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

VERNON TELEPHONE COMPANY, INC

ITEM		1985	1984	1983	1982	1981	LINE NO.
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	402,887 $	397,412 $	382,314 $	393,149 $	452,135	1
ACCESS REVENUES		372,362					2
TOLL REVENUES		624,884	754,310	712,293	662,869	701,236	3
MISCELLANEOUS REVENUES		90,058	27,462	28,250	23,313	21,042	4
UNCOLLECTIBLE REVENUES-DR		9,000	11,531	9,500	4,800	-	5
TOTAL TELEPHONE OPERATING REVENUE	$	1,481,191 $	1,167,653 $	1,113,357 $	1,074,531 $	1,174,413	6
TELEPHONE ACCESS LINES IN SERVICE		2,549	1,871	1,832	1,797	1,794	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 182.30	$ 214.64	$ 214.56	$ 218.96	$ 255.66	8
ACCESS REVENUE		168.49					9
TOLL REVENUE		282.75	407.40	392.56	369.18	396.51	10
*YEAR END AVERAGE							
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	353,568 $	392,176 $	355,381 $	382,844 $	308,511	11
DEPRECIATION + AMORTIZATION EXPENSES		164,424	135,026	131,252	129,849	126,010	12
TRAFFIC EXPENSES		30,982	37,189	8,822	8,894	8,565	13
COMMERCIAL EXPENSES		65,506	54,510	51,792	53,020	62,616	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		228,486	193,133	171,489	172,505	181,953	16
OTHER OPERATING EXPENSES		169,666	144,844	111,318	107,985	99,364	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	1,012,632 $	956,878 $	830,054 $	835,097 $	787,019	18
TELEPHONE UTILITY PLANT							
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	3,357,088 $	3,213,037 $	2,984,585 $	2,911,368 $	2,848,320	19
PLANT UNDER CONSTRUCTION		-	-	-	-	-	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-	-	22
PLANT ADJUSTMENTS		-	-	-	-	-	73
TOTAL TELEPHONE UTILITY PLANT		3,357,088	3,213,037	2,984,585	2,911,368	2,848,320	24
ACCUMULATED PROVISION FOR DEPR+AMORT		715,297	1,185,893	1,042,015	899,829	762,280	25
NET TELEPHONE PLANT	$	2,641,791 $	2,027,144 $	1,942,570 $	2,011,539 $	2,086,040	26
PLANT IN SERVICE BEGINNING OF YEAR	$	3,213,037 $	2,984,585 $	2,911,368 $	2,848,318 $	2,702,924	27
ADDITIONS		891,039	298,916	98,467	145,425	208,410	28
RETIREMENTS		746,988	70,464	35,415	82,375	62,798	29
TRANSFERS AND ADJUSTMENTS		-	-	10,165	-	218-	30
PLANT IN SERVICE END OF YEAR	$	3,357,088 $	3,213,037 $	2,984,585 $	2,911,368 $	2,848,318	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

VERNON TELEPHONE COMPANY, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,481,191	$ 1,167,653	$ 1,118,355	$ 1,074,531	$ 1,174,413
2	ACCESS LINES (AVERAGE*)	2,210	1,852	1,815	1,796	1,769
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 309,224	$ 332,654	$ 314,074	$ 401,889	$ 307,753
4	OTHER OPERATION AND MAINTENANCE EXPENSES	538,984	489,198	384,728	303,359	353,256
5	DEPRECIATION AND AMORTIZATION EXPENSES	164,424	135,026	131,252	129,849	126,010
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	12,813-	11,715-	14,112-	11,768-	22,529
8	OTHER TAXES - OPERATING	134,561	143,903	128,128	120,126	116,656
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	152,121	86,709	87,832	88,889	90,771
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	5,227	5,319	5,328	5,700	5,700
11	EARNINGS AVAILABLE FOR COMMON EQUITY	189,483	13,441-	81,125	36,507	151,738
12	TOTAL	$ 1,481,191	$ 1,167,653	$ 1,118,355	$ 1,074,531	$ 1,174,413
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	20.9	28.5	28.1	37.4	26.2
14	OTHER OPERATION AND MAINTENANCE EXPENSES	36.4	41.9	34.4	28.2	30.1
15	DEPRECIATION AND AMORTIZATION EXPENSES	11.1	11.6	11.7	12.1	10.7
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	0.8-	0.9-	1.2-	1.0-	1.9
18	OTHER TAXES - OPERATING	9.1	12.3	11.5	11.2	9.9
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	10.3	7.4	7.9	8.3	7.7
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.4	0.5	0.5	0.5	0.5
21	EARNINGS AVAILABLE FOR COMMON EQUITY	12.8	1.1-	7.3	3.4	12.9
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 11.66	$ 14.97	$ 14.42	$ 18.65	$ 14.50
24	OTHER OPERATION AND MAINTENANCE EXPENSES	20.32	22.02	17.67	14.08	16.65
25	DEPRECIATION AND AMORTIZATION EXPENSES	6.20	6.08	6.03	6.03	5.94
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	0.47-	0.52-	0.64-	0.54-	1.06
28	OTHER TAXES - OPERATING	5.07	6.48	5.88	5.58	5.50
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.74	3.90	4.03	4.12	[illegible]
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.20	0.24	0.24	0.26	[illegible]
31	EARNINGS AVAILABLE FOR COMMON EQUITY	7.14	0.59-	3.73	1.69	7.15
32	TOTAL	$ 55.85	$ 52.55	$ 51.36	$ 49.87	$ 55.34

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

WARWICK VALLEY TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 17,751,829	$ 15,112,759	$ 14,447,286	$ 14,120,072	$ 13,881,046
2	ACCUMULATED PROVISION FOR DEPR+AMORT	5,663,910	4,779,094	4,076,694	3,414,649	3,472,080
3	NET TELEPHONE PLANT	12,087,919	10,333,665	10,370,592	10,705,423	10,388,966
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	4,784	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	4,281	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	159,684	78,760	43,209	-	-
7	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	159,684	78,760	47,490	4,784	-
9	CASH AND WORKING FUNDS	80,919	2,685	131,337	28,087	105,138
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	1,238,709	796,675	33,610	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	1,199,795	784,192	186,103	101,675	10,841
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	984,508	883,322	831,692	869,560	758,055
15	MATERIALS AND SUPPLIES*	543,244	515,677	350,933	427,877	293,284
16	PREPAYMENTS	24,867	118,588	48,472	88,033	73,596
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	6,285
18	TOTAL CURRENT AND ACCRUED ASSETS	4,080,040	3,101,139	1,582,147	1,515,232	1,247,199
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	49,526	59,211	69,035	25,269	27,844
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	24,127	37,449	30,853	39,846	16,118
23	TOTAL DEFERRED DEBITS	73,653	96,660	99,388	65,115	43,962
24	TOTAL ASSETS AND OTHER DEBITS	16,371,296 $	13,610,224 $	12,100,117 $	12,290,554 $	11,680,147
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 1,557,218	$ 1,557,218	$ 1,557,218	$ 1,555,913	$ 1,393,598
26	PREFERRED CAPITAL STOCK	500,000	500,000	500,000	500,000	500,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	31,607-	31,607-	31,607-	-	-
33	RETAINED EARNINGS	4,676,526	3,800,312	3,259,019	3,208,096	3,020,346
34	TOTAL PROPRIETARY CAPITAL	6,702,137	5,825,923	5,284,630	5,264,009	4,913,944
35	BONDS(LESS BONDS REACQUIRED)	4,146,000	4,475,800	4,605,400	2,735,000	3,098,600
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	4,146,000	4,475,800	4,605,400	2,735,000	3,098,600
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	3,310,284	1,019,960	337,464	3,444,073	2,680,165
41	CUSTOMERS' DEPOSITS	138,894	131,590	112,779	102,607	99,364
42	ADVANCE BILLING AND PAYMENTS	-	-	-	-	-
43	TAXES ACCRUED	87,750	396,912	234,797	384,138-	156,850
44	OTHER CURRENT AND ACCRUED LIABILITIES	131,905	129,290	173,885	87,765	62,132
45	TOTAL CURRENT AND ACCRUED LIABILITIES	3,868,833	1,677,752	858,925	3,250,307	2,998,511
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	598,780	573,132	509,882	486,837	322,218
48	OTHER DEFERRED CREDITS	39,540	15,965	4,205	-	-
49	TOTAL DEFERRED CREDITS	638,320	589,097	514,087	486,837	322,218
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	1,216,008	1,041,652	837,075	554,401	346,874
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 16,371,296	$ 13,610,224	$ 12,100,117	$ 12,290,554	$ 11,680,147
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	1.97	1.93	2.18	2.35	2.25
54	CURRENT ASSETS/CURRENT LIABILITIES	1.10	1.85	1.84	0.47	0.42
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	38.2	43.4	46.5	34.1	38.6
56	PREFERRED STOCK	4.6	4.8	5.0	6.2	6.2
57	COMMON STOCK+OTHER PAID-IN CAPITAL	14.0	14.8	15.4	19.4	17.3
58	RETAINED EARNINGS	43.1	36.8	32.9	40.1	37.6
	LONG-TERM DEBT:					
59	PERCENT OF GROSS TELEPHONE PLANT	23.3	29.6	31.8	19.3	22.3
60	PERCENT OF NET TELEPHONE PLANT	34.2	43.3	44.[illegible]	25.5	29.8
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	31.9	31.6	28.2	24.1	25.0

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

WARWICK VALLEY TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 8,356,461	$ 7,855,256	$ 6,541,468	$ 5,985,303	$ 5,774,287	1
OPERATION AND MAINTENANCE EXPENSE	3,644,010	3,508,940	3,377,433	3,254,884	2,974,992	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	1,012,495	1,028,951	890,835	758,790	[illegible]48,951	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	928,589	900,458	822,887	675,882	632,768	6
INCOME TAXES-OPERATING	901,238	820,721	243,218	67,179	326,821	7
OPERATING INCOME TAXES DEFERRED	228,334	281,104	320,989	236,696	100,703	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	53,980-	58,527-	38,315-	29,171-	19,498-	9
TOTAL OPERATING EXPENSES	6,660,686	6,281,648	5,617,047	4,984,262	4,665,337	10
TOTAL TELEPHONE OPERATING INCOME	1,695,775	1,393,608	924,421	1,001,041	1,058,950	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	90,170	43,958	20,491	362	2,387	13
ALLOWANCE FOR CONSTRUCTION FUNDS	10,612	24,256	-	82,699	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	33,791	85,778-	15,498-	17,370	28,200	17
TOTAL OTHER INCOME	134,573	2,436	4,983	100,431	30,587	18
TOTAL INCOME	1,830,348	1,386,043	929,414	1,101,472	1,089,517	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	29,580	15,211-	8,283-	8,354-	-	21
MISCELLANEOUS INCOME CHARGES	3,234	3,583	3,043	3,069	3,228	22
TOTAL INCOME DEDUCTIONS	32,814	11,628-	5,240-	5,285-	3,228	23
INCOME BEFORE INTEREST CHARGES	1,797,534	1,407,671	934,654	1,106,757	1,086,291	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	425,400	442,538	393,666	230,935	248,285	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	9,665	9,824	8,058	2,575	2,718	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	13,161	5,565	146,100	360,860	178,267	29
TOTAL INTEREST CHARGES	448,226	457,925	547,823	594,370	429,270	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	1,349,308	949,746	386,831	512,387	657,021	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	33,828	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	15,560	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	18,268	-	-	-	-	35
NET INCOME	$ 1,367,576	$ 949,746	$ 386,831	$ 512,387	$ 657,021	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 3,800,312	$ 3,259,019	$ 3,208,096	$ 3,020,346	$ 2,668,324	37
BALANCE TRANSFERRED FROM INCOME	1,367,576	949,746	386,831	512,387	657,022	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	25,000	25,000	25,000	25,000	25,000	42
-COMMON STOCK	488,362	383,453	310,908	299,637	280,000	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	4,676,528	3,800,312	3,259,019	3,208,096	3,020,346	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 4,676,528	$ 3,800,312	$ 3,259,019	$ 3,208,096	$ 3,020,346	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	43.6	45.8	51.6	54.5	51.9	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	12.1	13.4	13.6	12.7	11.3	49
TOTAL INCOME TAXES-OPERATING	12.9	10.8	8.0	4.6	7.1	50
OTHER TAXES-OPERATING	11.1	11.7	12.5	11.3	11.0	51
TOTAL OPERATING EXPENSES	79.7	81.7	85.8	83.2	81.5	52
OPERATING INCOME	20.2	18.2	14.1	16.7	18.4	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.7	6.7	6.1	5.3	4.6	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	5.4	6.0	8.4	10.0	7.5	55
PRETAX INTEREST COVERAGE	6.5	4.8	2.6	2.3	3.4	56
NET INCOME-PERCENT OF OPERATING REVENUES	16.3	12.4	5.9	8.5	11.4	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.2	0.3	0.3	0.4	0.4	58
TIMES EARNED	54.7	38.0	15.5	20.5	26.3	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	5.5	5.0	4.7	5.0	4.8	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	34.7	41.4	85.9	61.4	44.3	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	23.2	18.2	7.5	10.6	14.9	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	8.0	7.5	6.5	6.5	6.6	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

WARWICK VALLEY TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 1,349,308	$ 949,746	$ 386,831	$ 512,387	$ 657,021
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	1,022,180	1,036,775	898,893	761,365	652,269
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	200,002	293,149	284,979	376,728	115,567
4	INTEREST CAPITALIZED	10,612-	24,255-	-	-	-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	2,560,878	2,255,415	1,570,703	1,650,480	1,424,857
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	2,560,878	2,255,415	1,570,703	1,650,480	1,424,857
10	LESS DIVIDENDS: PREFERRED	25,000	25,000	25,000	25,000	25,000
11	COMMON	466,362	383,453	310,908	299,637	280,000
12	NET FUNDS FROM INTERNAL SOURCES	2,069,516	1,846,962	1,234,795	1,325,843	1,119,857
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	1,870,400	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	50,000	-	3,046,000	1,569,000	126,000
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	50,000	-	4,916,400	1,569,000	126,000
20	OTHER SOURCES (NET):	1,273,484	239,284	-	948,937	1,611,324
21						
22						
23	TOTAL FUNDS PROVIDED	$ 3,393,000	$ 2,086,246	$ 6,151,195	$ 3,843,780	$ 2,857,181
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 3,073,812	$ 1,980,901	$ 884,461	$ 3,480,180	$ 2,724,581
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	3,073,812	1,980,901	884,461	3,480,180	2,724,581
28	LESS INTEREST CAPITALIZED	10,612	24,255	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	3,063,200	1,956,646	884,461	3,480,180	2,724,581
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	329,800	129,600	-	363,600	132,600
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET):	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	329,800	129,600	-	363,600	132,600
37	OTHER USES (NET):	-	-	5,266,734	-	-
38						
39						
40	TOTAL FUNDS APPLIED	$ 3,393,000	$ 2,086,246	$ 6,151,195	$ 3,843,780	$ 2,857,181

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

WARWICK VALLEY TELEPHONE COMPANY

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	2,306,205 $	2,166,814 $	1,778,558 $	1,597,251 $	1,505,651	1
ACCESS REVENUES		3,189,193					2
TOLL REVENUES		1,710,466	5,108,618	4,463,789	4,115,717	3,973,706	3
MISCELLANEOUS REVENUES		1,206,598	415,824	335,120	279,335	280,929	4
UNCOLLECTIBLE REVENUES-DR		36,000	36,000	36,000	27,000	36,000	5
TOTAL TELEPHONE OPERATING REVENUE	$	8,356,461 $	7,655,256 $	6,541,487 $	5,965,303 $	5,724,286	6
TELEPHONE ACCESS LINES IN SERVICE		14,382	13,696	13,094	12,859	12,380	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 164 27	$ 161 76	$ 137 06	$ 126 67	$ 124 27	8
ACCESS REVENUE		225 74					9
TOLL REVENUE		121 84	381 38	343 99	326 40	327 99	10
*YEAR END AVERAGE							
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	1,387,093 $	1,382,040 $	1,415,198 $	1,380,012 $	1,238,825	11
DEPRECIATION + AMORTIZATION EXPENSES		1,012,495	1,026,951	890,835	758,790	649,551	12
TRAFFIC EXPENSES		440,163	438,968	411,233	376,720	331,054	13
COMMERCIAL EXPENSES		511,066	468,944	420,639	433,346	379,826	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		785,084	694,696	683,649	701,573	677,159	16
OTHER OPERATING EXPENSES		520,614	524,292	446,714	363,233	350,128	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	4,656,505 $	4,535,891 $	4,268,268 $	4,013,674 $	3,624,543	18
TELEPHONE UTILITY PLANT							
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	15,412,094 $	14,973,785 $	14,428,257 $	14,056,926 $	12,572,228	19
PLANT UNDER CONSTRUCTION		2,339,735	138,974	19,029	63,146	1,288,818	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-		21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-		22
PLANT ADJUSTMENTS		-	-	-	-		23
TOTAL TELEPHONE UTILITY PLANT		17,751,829	15,112,759	14,447,286	14,120,072	13,861,046	24
ACCUMULATED PROVISION FOR DEPR+AMORT		5,663,910	4,779,094	4,076,694	3,414,349	3,472,060	25
NET TELEPHONE PLANT	$	12,087,919 $	10,333,665 $	10,370,592 $	10,705,423 $	10,388,986	26
PLANT IN SERVICE BEGINNING OF YEAR	$	14,973,785 $	14,428,257 $	14,056,926 $	12,572,228 $	11,748,257	27
ADDITIONS		552,437	1,053,273	628,759	2,538,968	1,073,210	28
RETIREMENTS		183,661	604,132	344,748	1,067,327	250,658	29
TRANSFERS AND ADJUSTMENTS		69,533	96,387	87,320	13,057	1,419	30
PLANT IN SERVICE END OF YEAR	$	15,412,094 $	14,973,785 $	14,428,257 $	14,056,926 $	12,572,228	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

WARWICK VALLEY TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 8,356,481	$ 7,655,256	$ 6,541,468	$ 5,965,303	$ 5,724,287
2	ACCESS LINES (AVERAGE*)	14,039	13,395	12,977	12,610	12,116
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 2,750,854	$ 2,659,383	$ 2,418,062	$ 2,279,185	$ 2,039,030
4	OTHER OPERATION AND MAINTENANCE EXPENSES	893,156	849,557	959,371	975,699	935,962
5	DEPRECIATION AND AMORTIZATION EXPENSES	1,012,495	1,026,951	890,835	758,790	649,551
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	1,075,592	825,298	525,892	274,706	408,028
8	OTHER TAXES - OPERATING	928,589	900,459	822,887	675,882	632,768
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	445,531	457,925	547,823	564,433	429,270
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	24,841	25,000	25,000	21,775	25,000
11	EARNINGS AVAILABLE FOR COMMON EQUITY	1,225,403	910,683	351,598	414,833	604,680
12	TOTAL	$ 8,356,481	$ 7,655,256	$ 6,541,468	$ 5,965,303	$ 5,724,287
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	32.9	34.7	37.0	38.2	35.6
14	OTHER OPERATION AND MAINTENANCE EXPENSES	10.7	11.1	14.7	16.4	16.4
15	DEPRECIATION AND AMORTIZATION EXPENSES	12.1	13.4	13.6	12.7	11.3
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	12.9	10.8	8.0	4.6	7.1
18	OTHER TAXES - OPERATING	11.1	11.8	12.6	11.3	11.1
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.3	6.0	8.4	9.5	7.5
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.3	0.3	0.4	0.4	0.4
21	EARNINGS AVAILABLE FOR COMMON EQUITY	14.7	11.9	5.4	7.0	10.6
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 16.33	$ 16.54	$ 15.53	$ 15.06	$ 14.02
24	OTHER OPERATION AND MAINTENANCE EXPENSES	5.30	5.29	6.16	6.45	6.44
25	DEPRECIATION AND AMORTIZATION EXPENSES	6.01	6.39	5.72	5.01	4.47
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	6.38	5.13	3.38	1.82	2.81
28	OTHER TAXES - OPERATING	5.51	5.60	5.28	4.47	4.35
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.64	2.85	3.52	3.73	2.95
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.15	0.16	0.16	0.14	0.17
31	EARNINGS AVAILABLE FOR COMMON EQUITY	7.27	5.67	2.26	2.74	4.16
32	TOTAL	$ 49.60	$ 47.63	$ 42.01	$ 39.42	$ 39.37

* YEAR END AVERAGE

SECTION IV.

WATER SERVICE COMPANIES

Balance Sheets

Income Statements

Statements of Changes in Financial Position

Statements of Revenue, Plant, and Operation and Maintenance

Distribution of Water Revenues

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CITIZENS WATER-SUPPLY COMPANY OF NEWTOWN, THE

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 6,731,282	$ 6,473,329	$ 5,550,283	$ 5,082,132	$ 4,931,355
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	2,004,368	1,884,314	1,793,007	1,735,073	1,677,174
3	NET WATER PLANT	4,726,914	4,589,015	3,757,256	3,347,059	3,254,181
4	OTHER PHYSICAL PROPERTY	2,550	2,550	2,550	2,550	2,550
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	2,550	2,550	2,550	2,550	2,550
8	CASH AND WORKING FUNDS	108,670	38,087	74,381	472,467	239,206
9	SPECIAL DEPOSITS	4,541	4,541	4,541	3,925	3,625
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	302,117	376,647	303,823	304,762	245,066
12	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	300,000	420	-
13	MATERIALS AND SUPPLIES	22,139	22,756	29,215	24,217	25,024
14	PREPAYMENTS	55,864	51,320	49,207	44,821	29,319
15	OTHER CURRENT AND ACCRUED ASSETS	477,587	380,142	386,782	345,747	272,700
16	TOTAL CURRENT AND ACCRUED ASSETS	970,918	851,493	1,147,929	1,196,359	814,940
17	UNAMORTIZED DEBT EXPENSE	-	-	-	-	-
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	68,739	13,348	11,233	10,253	21,086
20	CLEARING ACCOUNTS	22,774	1,940	3,837-	9,311	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	10,456	9,581	9,581	-
22	OTHER DEFERRED DEBITS	301,029	303,060	315,393	295,327	165,933
23	TOTAL DEFERRED DEBITS	392,542	328,804	332,370	324,472	187,019
24	TOTAL ASSETS AND OTHER DEBITS	$ 6,092,924	$ 5,771,862	$ 5,240,105	$ 4,870,440	$ 4,258,690
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 735,000	$ 735,000	$ 735,000	$ 735,000	$ 735,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	1,143,328	1,143,328	1,143,328	1,143,328	1,143,328
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	3,128,317	2,872,095	2,605,404	2,252,895	1,936,567
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	5,006,645	4,750,423	4,483,732	4,131,223	3,814,895
36	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	-	-	-	-	-
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	-	-	-	-	-
41	NOTES AND ACCOUNTS PAYABLE	260,843	275,669	102,018	100,568	70,105
42	PAYABLES TO ASSOCIATED COMPANIES	7,958	39,922	7,527	7,142	-
43	CUSTOMERS' DEPOSITS	93,506	66,973	77,200	80,046	102,184
44	TAXES ACCRUED	31,228	9,224	30,970	78,775	98,250
45	OTHER CURRENT AND ACCRUED LIABILITIES	122,905	128,917	143,007	155,829	115,126
46	TOTAL CURRENT AND ACCRUED LIABILITIES	516,440	520,705	360,722	422,360	189,165
47	CUSTOMER ADVANCES FOR CONSTRUCTION	25,462	30,382	54,500	54,500	32,465
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	241,993	229,128	125,769	79,733	56,546
49	OTHER DEFERRED CREDITS	-	68	-	-	-
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	168,715	101,681	70,111	46,590	88,864
52	OTHER	133,669	139,475	145,271	138,034	76,755
53	TOTAL DEFERRED CREDITS	569,839	500,734	395,651	318,857	254,630
54	OPERATING RESERVES	-	-	-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 6,092,924	$ 5,771,862	$ 5,240,105	$ 4,870,440	$ 4,258,690
	SELECTED BALANCE SHEET RELATIONSHIPS					
56	WATER PLANT PER DOLLAR OF REVENUE	1.81	1.78	1.59	1.63	1.82
57	CURRENT ASSETS / CURRENT LIABILITIES	1.88	1.64	3.18	2.83	4.31
	PERCENT OF CAPITALIZATION:					
58	LONG-TERM DEBT	-	-	-	-	-
59	PREFERRED STOCK	-	-	-	-	-
60	COMMON STOCK + OTHER PAID-IN CAPITAL	37.5	39.5	41.8	45.4	49.2
61	RETAINED EARNINGS	62.4	60.4	58.1	54.5	50.7
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	-	-	-	-	-
63	PERCENT OF NET WATER PLANT	-	-	-	-	-
64	ACCUMULATED PROVISION FOR DEPRE.+AMORT PERCENT OF WATER PLANT	29.7	29.1	32.3	34.1	34.0

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CITIZENS WATER-SUPPLY COMPANY OF NEWTOWN, THE

ITEM		1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT							
WATER OPERATING INCOME							
OPERATING REVENUES	$	3,639,793 $	3,381,683 $	3,353,320 $	3,069,763 $	2,662,732	1
OPERATION AND MAINTENANCE EXPENSES		1,668,576	1,528,716	1,409,782	1,326,515	1,252,487	2
DEPRECIATION		143,022	127,533	93,833	87,319	85,094	3
AMORTIZATION		-		-	-	-	4
TAXES OTHER THAN INCOME TAXES		1,162,677	1,068,169	1,040,174	888,680	839,785	5
INCOME TAXES		173,471	188,329	247,298	218,254	107,528	6
GAINS FROM DISP. OF UTILITY PLANT							7
LOSSES FROM DISP. OF UTILITY PLANT							8
TOTAL OPERATING EXPENSES		3,147,746	2,912,747	2,791,067	2,520,768	2,284,894	9
NET OPERATING REVENUES		492,047	468,936	562,253	548,995	377,838	10
INCOME FROM PLANT LEASED TO OTHERS		-	-	-	-		11
TOTAL WATER OPERATING INCOME		492,047	468,936	562,253	548,995	377,838	12
OTHER INCOME							
INCOME FROM MDSE, JOBBING+CONTRACT WORK		819	2,429	677	1,253	1,478	13
INCOME FROM NONUTILITY OPERATIONS		-	-				14
NONOPERATING RENTAL INCOME		-	-		-		15
INTEREST AND DIVIDEND INCOME			-	-	-	280	16
ALLOWANCE FOR CONSTRUCTION FUNDS		-	203	3,966	69	132	17
MISCELLANEOUS NONOPERATING INCOME		1,839	28	328	251	9	18
GAIN ON DISPOSITION OF PROPERTY		-	-	-	-	-	19
TOTAL OTHER INCOME		2,658	2,660	4,971	1,573	1,899	20
TOTAL INCOME		494,705	471,596	567,224	550,568	379,737	21
OTHER INCOME DEDUCTIONS							
LOSS ON DISPOSITION OF PROPERTY		-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION		-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS		-	3,163	197	175	284	24
TAXES OTHER THAN INC TAXES NONOPERATING			-	-	-	-	25
INCOME TAXES-NONOPERATING		5,832-	4,511-	3,321-	1,530	4,713-	26
TOTAL OTHER INCOME DEDUCTIONS		5,832-	1,348-	3,124-	1,705	4,429-	27
INCOME BEFORE INTEREST CHARGES		500,537	472,944	570,348	548,863	384,166	28
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		-	-		-	-	29
AMORT OF DEBT DISCOUNT EXPENSE		-	-	-	-	-	30
AMORT OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES		235,490	214,846	208,909	237,596	201,046	32
OTHER INTEREST CHARGES		8,825	8,593-	8,930	5,061-	17,271	33
TOTAL INTEREST CHARGES		244,315	206,253	217,839	232,535	218,317	34
EXTRAORDINARY ITEMS							
EXTRAORDINARY INCOME		-	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS		-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS		-	-	-	-	-	37
NET EXTRAORDINARY ITEMS		-	-	-	-	-	38
NET INCOME	$	256,222 $	266,691 $	352,509 $	316,328 $	165,849	39
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$	2,872,095 $	2,605,404 $	2,252,895 $	1,936,567 $	1,770,718	40
BALANCE TRANSFERRED FROM INCOME		256,222	266,691	352,509	316,328	165,849	41
APPROPRIATIONS OF RETAINED EARNINGS		-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK		-	-	-	-	-	43
-COMMON STOCK		-	-	-	-	-	44
ADJUSTMENTS TO RETAINED EARNINGS		-	-	-	-	-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR		3,128,317	2,872,095	2,605,404	2,252,895	1,936,567	46
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$	3,128,317 $	2,872,095 $	2,605,404 $	2,252,895 $	1,936,567	48
SELECTED INCOME ACCOUNT RELATIONSHIPS							
PERCENT OF WATER OPERATING REVENUES							
OPERATION AND MAINTENANCE EXPENSES		45.8	45.2	42.0	43.2	47.0	49
DEPRECIATION AND AMORTIZATION		3.9	3.7	2.7	2.8	3.1	50
INCOME TAXES		4.7	5.5	7.3	7.1	4.0	51
OTHER TAXES		31.9	31.5	31.0	28.9	31.5	52
TOTAL OPERATING EXPENSES		86.4	86.1	83.2	82.1	85.8	53
OPERATING INCOME		13.5	13.8	16.7	17.8	14.1	54
DEPRECIATION + AMORT % OF WATER PLANT		2.1	1.9	1.6	1.7	1.7	55
INTEREST EXPENSE							
PERCENT OF OPERATING REVENUES		6.7	6.1	6.5	7.6	8.2	56
PRETAX INTEREST COVERAGE		2.7	3.2	3.7	3.3	2.2	57
NET INCOME - % OF OPERATING REVENUES		7.0	7.8	10.5	10.3	6.2	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK							
PERCENT OF OPERATING REVENUES			-	-	-	-	59
TIMES EARNED		-	-	-	-	-	60
DIVIDEND APPROPRIATIONS, COMMON STOCK							
PERCENT OF OPERATING REVENUES			-	-	-	-	61
PERCENT OF EARNINGS AVAILABLE FOR COMMON		-	-	-	-	-	62
PERCENT OF AVERAGE COMMON EQUITY							
EARNINGS AVAILABLE FOR COMMON EQUITY		5.2	5.7	8.1	7.9	4.4	63
DIVIDEND APPROPRIATIONS, COMMON STOCK		-	-	-	-	-	64

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CITIZENS WATER-SUPPLY COMPANY OF NEWTOWN, THE

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 256,222	$ 266,691	$ 352,509	$ 316,328	$ 165,849
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	272,818	238,134	182,402	152,366	139,718
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	74,093	128,258	78,794	90,611	42,600
4	INTEREST CAPITALIZED	-	203-	3,966-	69-	132-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	603,133	632,880	609,739	559,236	348,035
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	603,133	632,880	609,739	559,236	348,035
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	-	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	603,133	632,880	609,739	559,236	348,035
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	5,580	23,500	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	5,580	23,500	-	-	-
20	OTHER SOURCES (NET)	1,684	456,419	757-	2,250	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 610,397	$ 1,112,799	$ 608,982	$ 561,486	$ 348,035
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 282,605	$ 949,873	$ 503,273	$ 182,447	$ 178,811
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	282,605	949,873	503,273	182,447	178,811
28	LESS INTEREST CAPITALIZED	-	203	3,966	69	132
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	282,605	949,670	499,307	182,378	178,679
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG-TERM DEBT	-	-	-	-	-
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	5,303	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	-	-	-	5,303	-
37	OTHER USES (NET)	327,792	163,129	109,675	373,805	169,356
38						
39						
40	TOTAL FUNDS APPLIED	$ 610,397	$ 1,112,799	$ 608,982	$ 561,486	$ 348,035

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

CITIZENS WATER-SUPPLY COMPANY OF NEWTOWN, THE

ITEM	1985	1984	1983	1982	1981	LINE NO.
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 3,327,675	$ 3,089,050	$ 3,081,325	$ 2,802,174	$ 2,438,592	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-		2
SALES TO OTHER WATER COMPANIES	-	-	-	-		3
OTHER SALES OF WATER	311,033	291,573	270,452	266,156	222,928	4
TOTAL REVENUES FROM SALES OF WATER	3,638,708	3,380,623	3,351,777	3,068,330	2,661,520	5
OTHER WATER OPERATING REVENUES	1,085	1,060	1,543	1,343	1,212	6
TOTAL WATER OPERATING REVENUES	$ 3,639,793	$ 3,381,683	$ 3,353,320	$ 3,069,673	$ 2,662,732	7
WATER SALES(T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	1,399,192	1,407,021	1,490,591	1,416,544	1,479,400	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-		9
SALES TO OTHER WATER COMPANIES	-	-	-	-		10
OTHER SALES OF WATER	-	-	-	-		11
TOTAL SALES OF WATER	1,399,192	1,407,021	1,490,591	1,416,544	1,479,400	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	7,644	7,655	7,636	7,633	7,608	13
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-		14
SALES TO OTHER WATER COMPANIES	-	-	-	-		15
OTHER SALES OF WATER	81	77	78	72	72	16
TOTAL CUSTOMERS	7,725	7,732	7,714	7,705	7,680	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 435.33	$ 403.53	$ 403.52	$ 367.11	$ 320.52	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	183.04	183.80	195.20	185.58	194.45	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	237.83	219.55	206.72	197.82	164.84	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-	22
AVG. REVENUE PER T. GALLONS SOLD(CENTS)	-	-	-	-	-	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 249,312	$ 241,838	$ 214,595	$ 186,289	$ 171,604	24
POWER AND PUMPING EXPENSES	453,799	403,698	377,830	348,363	355,031	25
PURIFICATION EXPENSES	28,866	20,643	28,019	49,753	35,518	26
TRANSMISSION AND DISTRIBUTION EXPENSES	240,181	210,543	194,350	186,096	170,316	27
CUSTOMERS ACCT G+COLLECTING EXPENSES	171,602	158,783	149,093	133,097	131,181	28
ADMINISTRATIVE+GENERAL EXPENSES	524,817	493,211	445,875	423,317	388,237	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 1,668,577	$ 1,528,716	$ 1,409,762	$ 1,326,915	$ 1,252,887	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 6,731,282	$ 6,473,329	$ 5,531,266	$ 5,062,768	$ 4,919,300	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	-	-	18,997	19,364	12,055	33
PLANT HELD FOR FUTURE USE	-	-	-	-	-	34
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	-	-	-	-	-	37
TOTAL WATER UTILITY PLANT	6,731,282	6,473,329	5,550,263	5,082,132	4,931,355	38
ACCUM PROV FOR DEPR., AMORT., DEPLETION	2,004,368	1,884,314	1,793,007	1,735,073	1,677,174	39
NET WATER UTILITY PLANT	$ 4,726,914	$ 4,589,015	$ 3,757,256	$ 3,347,059	$ 3,254,181	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 6,473,329	$ 5,531,266	$ 5,062,768	$ 4,919,300	$ 4,755,524	41
ADDITIONS	282,605	982,286	507,082	176,926	178,811	42
RETIREMENTS	24,652	26,806	38,584	28,155	30,517	43
TRANSFERS AND ADJUSTMENTS	-	13,417-	-	5,303-	15,482	44
PLANT IN SERVICE END OF YEAR	$ 6,731,282	$ 6,473,329	$ 5,531,266	$ 5,062,768	$ 4,919,300	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

CITIZENS WATER-SUPPLY COMPANY OF NEWTOWN, THE

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 3,639,793	$ 3,381,683	$ 3,353,320	$ 3,089,163	$ 2,682,732
2	SALES (THOUSAND GALLONS)	1,399,192	1,407,021	1,490,591	1,416,544	1,479,400
				DOLLAR AMOUNTS		
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 442,930	$ 381,591	$ 382,822	$ 370,993	$ 354,163
4	WAGES AND BENEFITS	621,604	646,711	618,461	76,743	531,091
5	OTHER OPERATION AND MAINTENANCE EXPENSES	604,043	500,414	428,479	878,779	367,233
6	DEPRECIATION AND AMORTIZATION EXPENSES	143,022	127,533	93,833	87,319	85,094
7	INCOME TAXES - OPERATING	173,471	188,329	247,298	218,254	107,528
8	OTHER TAXES - OPERATING	1,162,677	1,068,169	1,040,174	888,680	839,785
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	244,315	206,253	217,839	232,535	219,317
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	247,732	262,683	344,414	316,460	159,521
12	TOTAL	$ 3,639,793	$ 3,381,683	$ 3,353,320	$ 3,089,163	$ 2,682,732
				PERCENT OF REVENUES		
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	12.2	11.3	10.8	12.1	13.3
14	WAGES AND BENEFITS	17.1	19.1	18.4	2.5	19.8
15	OTHER OPERATION AND MAINTENANCE EXPENSES	16.6	14.8	12.8	28.6	13.8
16	DEPRECIATION AND AMORTIZATION EXPENSES	3.9	3.8	2.8	2.8	3.2
17	INCOME TAXES - OPERATING	4.8	5.6	7.4	7.1	4.0
18	OTHER TAXES - OPERATING	31.9	31.6	31.0	28.9	31.3
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	6.7	6.1	6.5	7.6	8.2
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	6.8	7.8	10.3	10.3	6.0
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER THOUSAND GALLONS SOLD		
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	31.66	27.12	24.34	26.19	23.94
24	WAGES AND BENEFITS	44.43	45.96	41.49	5.42	35.90
25	OTHER OPERATION AND MAINTENANCE EXPENSES	43.17	35.57	28.75	62.04	24.82
26	DEPRECIATION AND AMORTIZATION EXPENSES	10.22	9.06	6.30	6.16	5.75
27	INCOME TAXES - OPERATING	12.40	13.38	16.59	15.41	7.27
28	OTHER TAXES - OPERATING	83.10	75.92	69.78	62.74	56.77
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	17.46	14.66	14.61	16.42	14.78
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	17.71	18.67	23.11	22.34	10.78
32	TOTAL	260.14	240.34	224.97	216.71	179.99

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

COUNTRY KNOLLS WATER WORKS, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 2,792,498	$ 2,745,709	$ 2,687,172	$ 2,007,547	$ 1,975,609
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	384,301	345,293	313,404	259,444	229,767
3	NET WATER PLANT	2,408,197	2,400,416	2,373,768	1,748,103	1,745,842
4	OTHER PHYSICAL PROPERTY	-	-	-	-	-
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	-	-	-	-	-
8	CASH AND WORKING FUNDS	84,128	89,059	157,555	66,004	63,949
9	SPECIAL DEPOSITS	-	-	-	-	-
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	241,452	237,395	191,924	166,255	142,396
12	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
13	MATERIALS AND SUPPLIES	-	-	175	175	175
14	PREPAYMENTS	53,885	47,291	53,689	66,173	46,021
15	OTHER CURRENT AND ACCRUED ASSETS	625	450	450	400	500
16	TOTAL CURRENT AND ACCRUED ASSETS	380,088	374,195	403,793	299,007	253,041
17	UNAMORTIZED DEBT EXPENSE	9,894	11,260	12,624	13,648	-
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
20	CLEARING ACCOUNTS	-	-	-	-	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	-	-	-	-	-
23	TOTAL DEFERRED DEBITS	9,894	11,260	12,624	13,648	-
24	TOTAL ASSETS AND OTHER DEBITS	$ 2,798,179	$ 2,785,871	$ 2,790,185	$ 2,060,758	$ 1,998,383
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	450,084	405,210	359,143	290,534	484,826-
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	470,084	425,210	379,143	310,534	464,826-
36	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-
37	ADVANCES FROM ASSOCIATED COMPANIES	1,000,077	1,028,510	1,028,510	1,028,510	1,727,932
38	OTHER LONG TERM DEBT	772,500	738,190	786,940	620,690	-
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	1,772,577	1,766,700	1,815,450	1,649,200	1,727,932
41	NOTES AND ACCOUNTS PAYABLE	16,094	36,205	12,401	8,828	11,932
42	PAYABLES TO ASSOCIATED COMPANIES	535,700	542,727	457,341	-	565,029
43	CUSTOMERS' DEPOSITS	-	-	-	-	-
44	TAXES ACCRUED	3,724	15,029	117,041	91,808	132,633
45	OTHER CURRENT AND ACCRUED LIABILITIES	-	-	8,809	388	26,183
46	TOTAL CURRENT AND ACCRUED LIABILITIES	555,518	593,961	595,592	101,024	735,777
47	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	-	-
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	-	-	-	-	-
49	OTHER DEFERRED CREDITS	-	-	-	-	-
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	-	-	-	-	-
52	OTHER	-	-	-	-	-
53	TOTAL DEFERRED CREDITS	-	-	-	-	-
54	OPERATING RESERVES	-	-	-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 2,798,179	$ 2,785,871	$ 2,790,185	$ 2,060,758	$ 1,998,883
	SELECTED BALANCE SHEET RELATIONSHIPS					
56	WATER PLANT PER DOLLAR OF REVENUE	3.08	3.40	3.49	3.73	4.14
57	CURRENT ASSETS / CURRENT LIABILITIES	0.68	0.63	0.68	2.96	0.34
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	79.0	80.6	82.7	84.1	136.8
59	PREFERRED STOCK	-	-	-	-	-
60	COMMON STOCK + OTHER PAID-IN CAPITAL	0.8	0.9	0.9	1.0	1.5
61	RETAINED EARNINGS	20.0	18.4	16.3	14.8	38.2-
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	63.4	64.3	67.5	82.1	87.4
63	PERCENT OF NET WATER PLANT	73.6	73.5	76.4	94.3	98.9
64	ACCUMULATED PROVISION FOR DEPRE.+AMORT PERCENT OF WATER PLANT	13.7	12.5	11.6	12.9	11.6

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

COUNTRY KNOLLS WATER WORKS, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT						
WATER OPERATING INCOME						
OPERATING REVENUES	$ 899,337	$ 798,411	$ 672,881	$ 534,311	$ 472,218	1
OPERATION AND MAINTENANCE EXPENSES	433,989	377,298	302,416	277,420	273,784	2
DEPRECIATION	39,008	31,889	30,477	29,675	28,849	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	150,737	-	142,834	130,208	112,279	5
INCOME TAXES	-	142,847	-	-	-	6
GAINS FROM DISP. OF UTILITY PLANT						7
LOSSES FROM DISP. OF UTILITY PLANT						8
TOTAL OPERATING EXPENSES	623,734	551,832	475,727	437,306	414,712	9
NET OPERATING REVENUES	275,603	246,579	197,154	97,005	57,506	10
INCOME FROM PLANT LEASED TO OTHERS	-	-	-	-	-	11
TOTAL WATER OPERATING INCOME	275,603	246,579	197,154	97,005	57,506	12
OTHER INCOME						
INCOME FROM MDSE, JOBBING-CONTRACT WORK	-	-	-	-	-	13
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	14
NONOPERATING RENTAL INCOME	-	-	-	-	-	15
INTEREST AND DIVIDEND INCOME	-	-	-	-	-	16
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	17
MISCELLANEOUS NONOPERATING INCOME	-	-	-	-	-	18
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	19
TOTAL OTHER INCOME	-	-	-	-	-	20
TOTAL INCOME	275,603	246,579	197,154	97,005	57,506	21
OTHER INCOME DEDUCTIONS						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS	-	-	-	-	-	24
TAXES OTHER THAN INC TAXES-NONOPERATING	-	-	-	-	-	25
INCOME TAXES-NONOPERATING	-	-	-	-	-	26
TOTAL OTHER INCOME DEDUCTIONS	-	-	-	-	-	27
INCOME BEFORE INTEREST CHARGES	275,603	246,579	197,154	97,005	57,506	28
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	98,381	108,848	90,749	-	-	29
AMORT OF DEBT DISCOUNT EXPENSE	1,365	1,365	1,024	-	-	30
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES	127,890	13,676	13,676	13,676	295,905	32
OTHER INTEREST CHARGES	3,093	76,623	-	19,233	18,700	33
TOTAL INTEREST CHARGES	230,729	200,512	105,449	32,909	314,605	34
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	711,264	-	35
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS	-	-	-	-	-	37
NET EXTRAORDINARY ITEMS	-	-	-	711,264	-	38
NET INCOME	$ 44,874	$ 46,067	$ 91,705	$ 775,360	$ 257,099-	39
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 405,210	$ 359,143	$ 290,534	$ 484,826-	$ 227,727-	40
BALANCE TRANSFERRED FROM INCOME	44,874	46,067	91,705	775,360	257,099-	41
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	43
-COMMON STOCK	-	-	-	-	-	44
ADJUSTMENTS TO RETAINED EARNINGS	-	-	23,096-	-	-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR	450,084	405,210	359,143	290,534	484,826-	46
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$ 450,084	$ 405,210	$ 359,143	$ 290,534	$ 484,826-	48
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	48.2	47.2	44.9	51.9	57.9	49
DEPRECIATION AND AMORTIZATION	4.3	3.9	4.5	5.5	6.0	50
INCOME TAXES	-	17.8	-	-	-	51
OTHER TAXES	16.7	-	21.2	24.3	23.7	52
TOTAL OPERATING EXPENSES	69.3	69.1	70.7	81.8	87.8	53
OPERATING INCOME	30.6	30.8	29.2	18.1	12.1	54
DEPRECIATION + AMORT % OF WATER PLANT	1.3	1.1	1.1	1.4	1.4	55
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	25.7	25.1	15.7	6.2	66.6	56
PRETAX INTEREST COVERAGE	1.2	1.9	1.9	2.9	0.2	57
NET INCOME - % OF OPERATING REVENUES	4.9	5.7	13.6	145.1	-	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	59
TIMES EARNED	-	-	-	-	-	60
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	61
PERCENT OF EARNINGS AVAILABLE FOR COMMON	-	-	-	-	-	62
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	10.0	11.4	26.5	-	-	63
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	-	-	-	64

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

COUNTRY KNOLLS WATER WORKS, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 44,874	$ 46,067	$ 91,705	$ 64,096	$ 257,099-
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	40,374	33,253	31,501	29,678	28,649
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	-	-	-	-	-
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	85,248	79,320	123,206	93,774	228,450-
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	85,248	79,320	123,206	93,774	228,450-
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	-	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	85,248	79,320	123,206	93,774	228,450-
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	5,877	-	166,250	607,042	
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	85,386	457,341	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	5,877	85,386	623,591	607,042	-
20	OTHER SOURCES (NET)	-	-	-	-	273,093
21						
22						
23	TOTAL FUNDS PROVIDED	$ 91,125	$ 164,706	$ 746,797	$ 700,816	$ 44,643
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 46,789	$ 58,537	$ 679,625	$ 31,938	$ 44,643
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	46,789	58,537	679,625	31,938	44,643
28	LESS INTEREST CAPITALIZED	-	-	-	-	
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	46,789	58,537	679,625	31,938	44,643
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	48,750	-	-	
31	PREFERRED STOCK	-	-	-	-	
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	553,188	
34	OTHER (NET)	-	-	-	-	
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	-	48,750	-	553,188	
37	OTHER USES (NET)	44,336	57,419	67,172	115,690	
38						
39						
40	TOTAL FUNDS APPLIED	$ 91,125	$ 164,706	$ 746,797	$ 700,816	$ 44,643

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

COUNTRY KNOLLS WATER WORKS, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 856,175	$ 776,145	$ 643,650	$ 510,179	$ 443,451	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	2
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	3
OTHER SALES OF WATER	38,928	21,732	28,126	23,136	28,286	4
TOTAL REVENUES FROM SALES OF WATER	895,103	797,877	671,776	533,315	471,737	5
OTHER WATER OPERATING REVENUES	4,234	534	1,105	996	480	6
TOTAL WATER OPERATING REVENUES	$ 899,337	$ 798,411	$ 672,881	$ 534,311	$ 472,217	7
WATER SALES(T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	341,986	308,621	271,714	283,010	278,820	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	9
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	10
OTHER SALES OF WATER	-	-	-	-	-	11
TOTAL SALES OF WATER	341,986	308,621	271,714	283,010	278,820	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	4,071	3,628	3,365	3,275	3,227	13
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	14
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	15
OTHER SALES OF WATER	-	-	-	-	-	16
TOTAL CUSTOMERS	4,071	3,628	3,365	3,275	3,227	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG ANNUAL BILL PER CUSTOMER	$ 210.31	$ 213.93	$ 191.27	$ 155.77	$ 137.41	18
AVG CONSUMPTION PER CUSTOMER (T. GAL)	84.00	84.51	80.74	86.41	86.40	19
AVG REVENUE PER T. GALLONS SOLD (CENTS)	250.37	253.13	236.89	180.27	159.05	20
UNMETERED GENERAL CUSTOMERS						
AVG ANNUAL BILL PER CUSTOMER	-	-	-	-	-	21
AVG CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-	22
AVG REVENUE PER T GALLONS SOLD(CENTS)	-	-	-	-	-	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 37,742	$ 16,919	$ 12,252	$ 10,109	$ 15,710	24
POWER AND PUMPING EXPENSES	110,895	106,844	100,988	110,588	108,871	25
PURIFICATION EXPENSES	22,813	22,923	15,690	14,309	13,506	26
TRANSMISSION AND DISTRIBUTION EXPENSES	89,502	64,851	46,325	41,728	46,147	27
CUSTOMERS ACCT'G-COLLECTING EXPENSES	41,063	29,950	36,167	27,314	24,682	28
ADMINISTRATIVE-GENERAL EXPENSES	131,974	135,809	90,994	73,372	64,868	29
TOTAL WATER OPERATION-MAINT EXPENSES	$ 433,989	$ 377,296	$ 302,416	$ 277,420	$ 273,784	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 2,778,350	$ 2,731,560	$ 2,656,317	$ 1,977,692	$ 1,927,538	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	14,148	14,149	30,855	29,855	48,071	33
PLANT HELD FOR FUTURE USE	-	-	-	-	-	34
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	-	-	-	-	-	37
TOTAL WATER UTILITY PLANT	2,792,498	2,745,709	2,687,172	2,007,547	1,975,609	38
ACCUM PROV FOR DEPR AMORT , DEPLETION	384,301	345,293	313,404	259,444	229,767	39
NET WATER UTILITY PLANT	$ 2,408,197	$ 2,400,416	$ 2,373,768	$ 1,748,103	$ 1,745,842	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 2,731,558	$ 2,656,317	$ 1,977,692	$ 1,927,538	$ 1,883,687	41
ADDITIONS	46,791	75,243	678,625	50,154	43,851	42
RETIREMENTS	-	-	-	-	-	43
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	44
PLANT IN SERVICE END OF YEAR	$ 2,778,349	$ 2,731,560	$ 2,656,317	$ 1,977,692	$ 1,927,538	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

COUNTRY KNOLLS WATER WORKS, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 899,337	$ 798,411	$ 672,881	$ 534,311	$ 472,218
2	SALES (THOUSAND GALLONS)	341,966	306,621	271,714	283,010	278,820
				DOLLAR AMOUNTS		
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 84,430	$ 86,560	$ 84,657	$ 95,152	$ 92,783
4	WAGES AND BENEFITS	179,272	149,496	111,184	97,669	93,305
5	OTHER OPERATION AND MAINTENANCE EXPENSES	170,287	141,240	106,575	84,609	87,696
6	DEPRECIATION AND AMORTIZATION EXPENSES	39,008	31,889	30,477	29,678	28,649
7	INCOME TAXES - OPERATING	-	142,647	-	-	-
8	OTHER TAXES - OPERATING	150,737	-	142,834	130,208	112,279
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	230,729	200,512	105,449	32,909	314,605
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-		-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	44,874	46,067	91,705	64,096	257,099-
12	TOTAL	$ 899,337	$ 798,411	$ 672,881	$ 534,311	$ 472,218
				PERCENT OF REVENUES		
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	9.4	10.8	12.6	17.8	19.6
14	WAGES AND BENEFITS	19.9	18.7	16.5	18.3	19.8
15	OTHER OPERATION AND MAINTENANCE EXPENSES	18.9	17.7	15.8	15.8	18.6
16	DEPRECIATION AND AMORTIZATION EXPENSES	4.3	4.0	4.5	5.6	6.1
17	INCOME TAXES - OPERATING	-	17.9	-	-	-
18	OTHER TAXES - OPERATING	16.8	-	21.2	24.4	23.8
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	25.7	25.1	15.7	6.2	66.6
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	5.0	5.8	13.6	12.0	54.3-
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER THOUSAND GALLONS SOLD		
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	24.69	28.23	31.16	33.62	33.28
24	WAGES AND BENEFITS	52.42	48.76	40.92	34.51	33.46
25	OTHER OPERATION AND MAINTENANCE EXPENSES	49.80	46.06	39.22	29.90	31.45
26	DEPRECIATION AND AMORTIZATION EXPENSES	11.41	10.40	11.22	10.49	10.28
27	INCOME TAXES - OPERATING	-	46.52	-	-	-
28	OTHER TAXES - OPERATING	44.08	-	52.57	46.01	40.27
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	67.47	65.39	38.81	11.63	112.83
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	13.12	15.02	33.75	22.65	92.20-
32	TOTAL	262.99	260.39	247.64	188.80	169.36

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

FISHER ISLAND WATER WORKS CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 752,065	$ 732,861	$ 698,400	$ 679,419	$ 657,103
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	392,770	383,246	377,640	369,778	362,557
3	NET WATER PLANT	359,294	349,613	320,759	309,641	294,546
4	OTHER PHYSICAL PROPERTY	-	-	-	-	-
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	-	-	-	-	-
8	CASH AND WORKING FUNDS	17,475	17,569	43,716	33,416	32,858
9	SPECIAL DEPOSITS	-	-	-	-	-
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	17,080	14,527	16,422	18,670	14,026
12	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
13	MATERIALS AND SUPPLIES	6,370	6,880	8,861	12,517	7,791
14	PREPAYMENTS	-	2,018	558	1,581	3,304
15	OTHER CURRENT AND ACCRUED ASSETS	51,183	29,721	27,519	30,118	50,000
16	TOTAL CURRENT AND ACCRUED ASSETS	92,078	70,697	97,077	98,302	107,979
17	UNAMORTIZED DEBT EXPENSE	-	-	-	-	-
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
20	CLEARING ACCOUNTS	-	-	-	-	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	2,757	5,661	7,990	8,962	11,030
23	TOTAL DEFERRED DEBITS	2,757	5,661	7,990	8,962	11,037
24	TOTAL ASSETS AND OTHER DEBITS	$ 454,130	$ 425,963	$ 425,828	$ 414,905	$ 413,558
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	247,240	247,240	247,240	247,241	247,240
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	88,779	58,156	57,098	40,264	41,542
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	356,020	325,397	324,338	307,505	308,783
36	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	84,605	88,334	91,564	94,426	96,330
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	84,605	88,334	91,564	94,426	96,330
41	NOTES AND ACCOUNTS PAYABLE	4,173	5,094	2,348	8,178	3,251
42	PAYABLES TO ASSOCIATED COMPANIES	1,778	1,598	2,053	1,816	1,293
43	CUSTOMERS' DEPOSITS	30	4,981	20	40	30
44	TAXES ACCRUED	4,290	-	5,498	2,268	2,078
45	OTHER CURRENT AND ACCRUED LIABILITIES	388	557	5	673	1,288
46	TOTAL CURRENT AND ACCRUED LIABILITIES	10,658	12,230	9,925	12,975	7,847
47	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	-	-
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	-	-	-	-	-
49	OTHER DEFERRED CREDITS	-	-	-	-	-
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	2,847	-	-	-	-
51	LIBERALIZED DEPRECIATION	-	-	-	-	-
52	OTHER	-	-	-	-	-
53	TOTAL DEFERRED CREDITS	2,847	-	-	-	-
54	OPERATING RESERVES	-	-	-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 454,130	$ 425,963	$ 425,828	$ 414,905	$ 413,558

SELECTED BALANCE SHEET RELATIONSHIPS

LINE NO	ITEM	1985	1984	1983	1982	1981
56	WATER PLANT PER DOLLAR OF REVENUE	3.43	4.14	3.88	4.55	-
57	CURRENT ASSETS / CURRENT LIABILITIES	8.64	5.78	9.68	7.42	13.77
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	19.2	21.3	22.0	23.4	23.8
59	PREFERRED STOCK	-	-	-	-	-
60	COMMON STOCK + OTHER PAID-IN CAPITAL	60.6	64.5	64.2	66.4	65.8
61	RETAINED EARNINGS	20.1	14.0	13.7	10.0	10.2
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	11.2	12.0	13.1	13.8	14.7
63	PERCENT OF NET WATER PLANT	23.5	25.2	28.5	30.4	32.9
64	ACCUMULATED PROVISION FOR DEPRE.+AMORT PERCENT OF WATER PLANT	52.2	52.2	54.0	54.4	55.1

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

FISHER ISLAND WATER WORKS CORPORATION

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT

ITEM	1985	1984	1983	1982	1981	LINE NO
WATER OPERATING INCOME						
OPERATING REVENUES	$ 216,684	$ 172,671	$ 177,558	$ 146,891	$ 145,215	1
OPERATION AND MAINTENANCE EXPENSES	137,518	127,860	118,793	115,320	107,062	2
DEPRECIATION	9,523	8,461	7,862	7,220	6,972	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	28,781	25,516	23,716	19,709	19,845	5
INCOME TAXES	-	-	-	-	894	6
GAINS FROM DISP. OF UTILITY PLANT						7
LOSSES FROM DISP. OF UTILITY PLANT						8
TOTAL OPERATING EXPENSES	175,824	161,838	150,372	142,250	134,773	9
NET OPERATING REVENUES	40,859	10,832	27,186	4,640	10,442	10
INCOME FROM PLANT LEASED TO OTHERS	-	-	-	-	-	11
TOTAL WATER OPERATING INCOME	40,859	10,832	27,186	4,640	10,442	12
OTHER INCOME						
INCOME FROM MDSE, JOBBING+CONTRACT WORK	-	-		-	-	13
INCOME FROM NONUTILITY OPERATIONS	-	-		-	-	14
NONOPERATING RENTAL INCOME	-	-	-	-	-	15
INTEREST AND DIVIDEND INCOME	1,894	2,609	3,155	6,351	11,104	16
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	17
MISCELLANEOUS NONOPERATING INCOME	5,259	-		42	-	18
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	19
TOTAL OTHER INCOME	7,154	2,609	3,155	6,393	11,104	20
TOTAL INCOME	48,013	13,441	30,340	11,033	21,546	21
OTHER INCOME DEDUCTIONS						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS	-	-	-	-	-	24
TAXES OTHER THAN INC TAXES-NONOPERATING	-	-	-	-	-	25
INCOME TAXES-NONOPERATING	5,379	-	1,387	-	-	26
TOTAL OTHER INCOME DEDUCTIONS	5,379	-	1,387	-	-	27
INCOME BEFORE INTEREST CHARGES	42,634	13,441	28,953	11,033	21,546	28
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	11,651	12,151	12,518	12,304	13,183	29
AMORT OF DEBT DISCOUNT EXPENSE	-	-	-	-	-	30
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES	432	231	467	-	389	32
OTHER INTEREST CHARGES	-	1	3	8	4	33
TOTAL INTEREST CHARGES	12,084	12,383	12,990	12,312	13,577	34
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS	-	-	-	-	-	37
NET EXTRAORDINARY ITEMS	-	-	-	-	-	38
NET INCOME	$ 30,550	$ 1,058	$ 15,964	$ 1,278-	$ 7,968	39
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 58,156	$ 57,098	$ 40,263	$ 41,542	$ 33,574	40
BALANCE TRANSFERRED FROM INCOME	30,550	1,058	15,964	1,278-	7,968	41
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	43
-COMMON STOCK	-	-	-	-	-	44
ADJUSTMENTS TO RETAINED EARNINGS	72	-	870	-	-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR	88,779	58,156	57,098	40,265	41,542	46
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$ 88,779	$ 58,156	$ 57,098	$ 40,265	$ 41,542	48

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981	LINE NO
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	63.4	74.0	66.9	78.5	73.7	49
DEPRECIATION AND AMORTIZATION	4.3	4.9	4.4	4.9	4.8	50
INCOME TAXES	-	-	-	-	0.6	51
OTHER TAXES	13.2	14.7	13.3	13.4	13.6	52
TOTAL OPERATING EXPENSES	81.1	93.7	84.6	96.8	92.8	53
OPERATING INCOME	18.8	6.2	15.3	3.1	7.1	54
DEPRECIATION + AMORT % OF WATER PLANT	1.2	1.1	1.1	1.0	1.0	55
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	5.6	7.2	7.3	8.4	9.3	56
PRETAX INTEREST COVERAGE	4.0	1.1	2.3	0.9	1.7	57
NET INCOME - % OF OPERATING REVENUES	14.0	0.6	8.9	0.7-	5.4	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	59
TIMES EARNED	-	-	-	-	-	60
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	61
PERCENT OF EARNINGS AVAILABLE FOR-COMMON	-	-	-	-	-	62
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	8.9	0.3	5.0	-	-	63
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	-	-	-	64

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

FISHER ISLAND WATER WORKS CORPORATION

LINE NO	ITEM		1985		1984		1983		1982		1981
	FUNDS PROVIDED										
	INTERNAL SOURCES										
1	INCOME BEFORE EXTRAORDINARY ITEMS	$	30,550	$	1,058	$	15,964	$	1,278-	$	7,968
	NON CASH CHARGES(CREDITS) TO INCOME										
2	DEPRECIATION, DEPLETION AND AMORTIZATION		13,872		10,529		9,930		9,288		9,040
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)		2,847		-		-		-		-
4	INTEREST CAPITALIZED		-		-		-		-		-
5	OTHER (NET)		-		-		-		-		-
6											
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS		47,271		11,587		25,895		8,010		17,008
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES		-		-		-		-		-
9	TOTAL FUNDS FROM INTERNAL SOURCES		47,271		11,587		25,895		8,010		17,008
10	LESS DIVIDENDS: PREFERRED		-		-		-		-		-
11	COMMON		-		-		-		-		-
12	NET FUNDS FROM INTERNAL SOURCES		47,271		11,587		25,895		8,010		17,008
	EXTERNAL SOURCES										
13	LONG TERM DEBT		-		-		-		-		-
14	PREFERRED STOCK		-		-		-		-		-
15	COMMON STOCK		-		-		-		-		-
16	NET INCREASE IN SHORT TERM DEBT		-		-		-		-		-
17	OTHER (NET)		-		27,556		16,000		-		-
18											
19	TOTAL FUNDS FROM EXTERNAL SOURCES		-		27,556		16,000		-		-
20	OTHER SOURCES (NET)		-		1,832		-		17,279		27,371
21											
22											
23	TOTAL FUNDS PROVIDED	$	47,271	$	40,975	$	41,895	$	25,289	$	44,379
	FUNDS APPLIED										
	CONSTRUCTION EXPENDITURES										
	GROSS ADDITIONS										
24	WATER PLANT	$	19,208	$	37,315	$	18,980	$	22,315	$	40,588
25	NON-UTILITY PLANT		-		-		-		-		-
26	OTHER		-		-		-		-		-
27	TOTAL GROSS ADDITIONS		19,206		37,315		18,980		22,315		40,888
28	LESS INTEREST CAPITALIZED		-		-		-		-		-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED		19,206		37,315		18,980		22,315		40,888
	RETIREMENT OF DEBT AND SECURITIES										
30	LONG TERM DEBT		4,275		3,660		3,226		2,973		2,422
31	PREFERRED STOCK		-		-		-		-		-
32	REDEMPTION OF CAPITAL STOCK		-		-		-		-		-
33	NET DECREASE IN SHORT TERM DEBT		-		-		-		-		-
34	OTHER (NET)		2,208		-		19,688		-		-
35											
36	TOTAL RETIREMENT OF DEBT AND SECURITIES		6,483		3,660		22,914		2,973		2,422
37	OTHER USES (NET)		21,582		-		-		-		1,069
38											
39											
40	TOTAL FUNDS APPLIED	$	47,271	$	40,975	$	41,895	$	25,289	$	44,379

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

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COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

FISHER ISLAND WATER WORKS CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 199,168	$ 155,903	$ 157,928	$ 133,628	$ 132,104	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	2
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	3
OTHER SALES OF WATER	17,520	16,768	19,631	13,263	13,111	4
TOTAL REVENUES FROM SALES OF WATER	216,688	172,671	177,558	146,891	145,215	5
OTHER WATER OPERATING REVENUES	-	-	-	-	-	6
TOTAL WATER OPERATING REVENUES	$ 216,688	$ 172,671	$ 177,558	$ 146,891	$ 145,215	7
WATER SALES(T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	26,466	26,662	30,149	28,149	33,844	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	9
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	10
OTHER SALES OF WATER	248	281	275	284	284	11
TOTAL SALES OF WATER	26,714	26,943	30,424	28,433	34,128	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	495	495	514	514	504	13
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	14
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	15
OTHER SALES OF WATER	10	10	12	12	12	16
TOTAL CUSTOMERS	505	505	526	526	516	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 402.36	$ 314.95	$ 307.24	$ 259.97	$ 262.11	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	53.46	53.86	58.65	54.76	67.15	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	752.53	584.74	523.82	474.72	390.33	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-	22
AVG. REVENUE PER T GALLONS SOLD(CENTS)	-	-	-	-	-	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 14,093	$ 12,234	$ 9,791	$ 9,321	$ 10,646	24
POWER AND PUMPING EXPENSES	14,091	12,761	17,564	16,341	16,574	25
PURIFICATION EXPENSES	41,304	41,509	35,863	30,877	32,213	26
TRANSMISSION AND DISTRIBUTION EXPENSES	7,930	7,003	5,538	6,278	8,339	27
CUSTOMERS ACCT'G+COLLECTING EXPENSES	7,503	6,391	7,009	3,101	2,332	28
ADMINISTRATIVE+GENERAL EXPENSES	52,598	47,360	42,026	43,953	37,354	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 137,519	$ 127,901	$ 114,793	$ 116,325	$ 107,363	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 752,065	$ 732,860	$ 698,399	$ 679,419	$ 657,103	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	-	-	-	-	-	33
PLANT HELD FOR FUTURE USE	-	-	-	-	-	34
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	-	-	-	-	-	37
TOTAL WATER UTILITY PLANT	752,065	732,860	698,399	679,419	657,103	38
ACCUM PROV FOR DEPR., AMORT., DEPLETION	392,770	383,246	377,640	369,777	362,557	39
NET WATER UTILITY PLANT	$ 359,294	$ 349,613	$ 320,759	$ 309,641	$ 294,546	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 732,860	$ 698,399	$ 679,419	$ 657,103	$ 616,215	41
ADDITIONS	19,204	37,315	18,980	22,316	40,887	42
RETIREMENTS	-	2,854	-	-	-	43
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	44
PLANT IN SERVICE END OF YEAR	$ 752,065	$ 732,860	$ 698,399	$ 679,419	$ 657,103	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

FISHER ISLAND WATER WORKS CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 216,684	$ 172,671	$ 177,558	$ 146,891	$ 145,215
2	SALES (THOUSAND GALLONS)	26,714	26,943	30,424	28,433	34,129
				DOLLAR AMOUNTS		
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 18,527	$ 19,561	$ 15,344	$ 15,352	$ 16,978
4	WAGES AND BENEFITS	11,439	12,769	9,676	51,376	43,337
5	OTHER OPERATION AND MAINTENANCE EXPENSES	107,553	95,531	93,773	48,592	46,748
6	DEPRECIATION AND AMORTIZATION EXPENSES	9,523	8,461	7,862	7,220	6,972
7	INCOME TAXES - OPERATING	-	-	-	-	894
8	OTHER TAXES - OPERATING	28,781	25,516	23,716	19,709	19,845
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	12,084	12,383	12,990	12,312	13,577
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	28,775	1,551-	14,195	7,672-	3,135-
12	TOTAL	$ 216,684	$ 172,671	$ 177,558	$ 146,891	$ 145,215
				PERCENT OF REVENUES		
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	8.6	11.3	8.6	10.5	11.7
14	WAGES AND BENEFITS	5.3	7.4	5.4	35.0	29.8
15	OTHER OPERATION AND MAINTENANCE EXPENSES	49.6	55.3	52.8	33.1	32.2
16	DEPRECIATION AND AMORTIZATION EXPENSES	4.4	4.9	4.4	4.9	4.8
17	INCOME TAXES - OPERATING	-	-	-	-	0.6
18	OTHER TAXES - OPERATING	13.3	14.8	13.4	13.4	13.7
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.6	7.2	7.3	8.4	9.3
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	13.3	0.9-	8.0	5.3-	2.1-
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER THOUSAND GALLONS SOLD		
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	69.35	72.60	50.43	53.99	49.75
24	WAGES AND BENEFITS	42.82	47.39	31.80	180.69	126.98
25	OTHER OPERATION AND MAINTENANCE EXPENSES	402.61	354.57	308.22	170.90	136.97
26	DEPRECIATION AND AMORTIZATION EXPENSES	35.65	31.40	25.84	25.39	20.43
27	INCOME TAXES - OPERATING	-	-	-	-	2.62
28	OTHER TAXES - OPERATING	107.74	94.70	77.95	69.32	58.15
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	45.23	45.96	42.70	43.30	39.78
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	107.72	5.75-	46.66	26.97-	9.18-
32	TOTAL	811.13	640.88	583.61	516.62	425.49

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

JAMAICA WATER SUPPLY COMPANY

ASSETS AND OTHER DEBITS

LINE NO	ITEM	1985	1984	1983	1982	1981
1	WATER PLANT	$ 78,148,567	$ 71,613,007	$ 65,833,395	$ 61,432,292	$ 58,641,487
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	20,560,147	20,047,824	19,629,947	19,256,559	18,665,737
3	NET WATER PLANT	57,588,420	51,565,183	46,203,448	42,175,733	39,975,750
4	OTHER PHYSICAL PROPERTY	5,816	5,816	5,816	5,816	5,816
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	5,816	5,816	5,816	5,816	5,816
8	CASH AND WORKING FUNDS	631,485	2,534,301	434,203	371,976	503,011
9	SPECIAL DEPOSITS	5,366,891	2,846,833	5,600	90,725	7,600
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	4,751,312	5,601,931	5,325,001	4,990,789	4,194,508
12	RECEIVABLES FROM ASSOCIATED COMPANIES	10,321	-	1,337,144	1,359,546	1,701,529
13	MATERIALS AND SUPPLIES	644,131	636,934	589,422	497,345	543,013
14	PREPAYMENTS	950,830	566,800	585,131	483,580	481,468
15	OTHER CURRENT AND ACCRUED ASSETS	1,655,100	1,810,000	1,580,000	1,479,316	1,493,510
16	TOTAL CURRENT AND ACCRUED ASSETS	14,010,070	13,996,799	9,856,501	9,263,877	8,924,639
17	UNAMORTIZED DEBT EXPENSE	930,321	1,016,655	656,287	335,191	382,408
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	95,031	-	-	30,154
20	CLEARING ACCOUNTS	-	-	-	-	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	357,311	499,834	353,653	448,142	366,263
23	TOTAL DEFERRED DEBITS	1,287,632	1,611,520	1,009,940	783,333	778,825
24	TOTAL ASSETS AND OTHER DEBITS	$ 72,891,938	$ 67,179,318	$ 57,075,705	$ 52,228,759	$ 49,685,030

LIABILITIES AND OTHER CREDITS

LINE NO	ITEM	1985	1984	1983	1982	1981
25	COMMON CAPITAL STOCK	$ 4,155,769	$ 4,155,769	$ 4,155,769	$ 4,155,769	$ 4,155,769
26	PREFERRED CAPITAL STOCK	3,537,620	3,669,710	3,801,800	3,933,890	4,065,980
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	1,285,454	1,285,454	-	-	-
32	CAPITAL STOCK EXPENSE	429,810-	429,810-	429,810-	429,810-	429,810-
33	RETAINED EARNINGS	18,861,450	16,736,880	13,929,888	11,592,809	9,480,465
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	27,410,483	25,418,003	21,457,647	19,252,658	17,272,404
36	BONDS (LESS BONDS REACQUIRED)	26,684,500	27,512,500	24,069,268	20,845,023	21,470,773
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	-	-	-	-	1,250,500
39	NET UNAMORTIZED DEBT PREMIUM - DISCOUNT	23,938-	24,918-	-	-	-
40	TOTAL LONG TERM DEBT	26,660,562	27,487,582	24,069,268	20,845,023	22,721,273
41	NOTES AND ACCOUNTS PAYABLE	3,697,580	2,444,363	3,979,348	5,300,609	2,546,183
42	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
43	CUSTOMERS' DEPOSITS	247,392	194,543	192,996	189,723	190,150
44	TAXES ACCRUED	1,011,523	444,002	369,492	647,761	2,734,706
45	OTHER CURRENT AND ACCRUED LIABILITIES	5,115,307	3,830,113	2,161,173	2,153,721	1,869,203
46	TOTAL CURRENT AND ACCRUED LIABILITIES	10,071,802	6,913,021	6,703,609	8,291,814	7,340,242
47	CUSTOMER ADVANCES FOR CONSTRUCTION	50,700	58,899	39,149	13,786	13,786
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	3,579,744	2,603,744	1,723,744	1,024,744	244,016
49	OTHER DEFERRED CREDITS	2,886,003	3,226,425	2,238,644	2,224,290	1,871,633
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORTIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	1,788,345	993,345	519,345	211,345	54,345
52	OTHER	444,299	478,299	326,299	368,299	167,331
53	TOTAL DEFERRED CREDITS	8,749,091	7,360,712	4,845,181	3,839,264	2,351,111
54	OPERATING RESERVES	-	-	-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 72,891,938	$ 67,179,318	$ 57,075,705	$ 52,228,759	$ 49,685,030

SELECTED BALANCE SHEET RELATIONSHIPS

LINE NO	ITEM	1985	1984	1983	1982	1981
56	WATER PLANT PER DOLLAR OF REVENUE	1.89	1.83	1.91	1.94	2.22
57	CURRENT ASSETS / CURRENT LIABILITIES	1.39	2.02	1.47	1.12	1.22
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	49.3	51.9	52.8	51.9	56.8
59	PREFERRED STOCK	6.5	6.9	8.3	9.8	10.1
60	COMMON STOCK + OTHER PAID-IN CAPITAL	9.2	9.4	8.1	9.2	9.3
61	RETAINED EARNINGS	34.8	31.6	30.5	28.9	23.7
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	34.1	38.3	36.5	33.9	38.7
63	PERCENT OF NET WATER PLANT	46.2	53.3	52.0	49.4	56.8
64	ACCUMULATED PROVISION FOR DEPRE +AMORT PERCENT OF WATER PLANT	26.3	27.9	29.8	31.3	31.8

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

JAMAICA WATER SUPPLY COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT						
WATER OPERATING INCOME						
OPERATING REVENUES	$ 39,855,467	$ 37,468,594	$ 33,378,498	$ 31,023,082	$ 25,963,778	1
OPERATION AND MAINTENANCE EXPENSES	21,533,238	19,257,830	16,954,045	15,486,956	13,133,773	2
DEPRECIATION	1,282,634	1,176,438	1,097,692	1,032,681	996,526	3
AMORTIZATION	24,910	25,644	21,632	10,558	5,954	4
TAXES OTHER THAN INCOME TAXES	8,098,663	9,061,145	8,526,983	7,449,359	6,793,334	5
INCOME TAXES	2,386,000	1,940,000	1,312,000	1,551,059	303,938	6
GAINS FROM DISP. OF UTILITY PLANT						7
LOSSES FROM DISP. OF UTILITY PLANT						8
TOTAL OPERATING EXPENSES	33,325,445	31,461,057	27,912,352	25,531,213	21,233,525	9
NET OPERATING REVENUES	6,330,022	6,027,537	5,464,146	5,491,869	4,730,253	10
INCOME FROM PLANT LEASED TO OTHERS	-	-	-	-	-	11
TOTAL WATER OPERATING INCOME	6,330,022	6,027,537	5,464,146	5,491,869	4,730,253	12
OTHER INCOME						
INCOME FROM MDSE, JOBBING-CONTRACT WORK	-	-	-	-	-	13
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	14
NONOPERATING RENTAL INCOME	-	-	-	-	-	15
INTEREST AND DIVIDEND INCOME	431,898	16,562	21,104	16,989	77,090	16
ALLOWANCE FOR CONSTRUCTION FUNDS	112,013	143,111	57,962	14,532	2,067	17
MISCELLANEOUS NONOPERATING INCOME	-	-	-	-	-	18
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	19
TOTAL OTHER INCOME	543,911	159,673	79,066	31,521	79,157	20
TOTAL INCOME	6,873,933	6,187,210	5,543,212	5,523,390	4,809,410	21
OTHER INCOME DEDUCTIONS						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS	-	50,000	150,000	-	-	24
TAXES OTHER THAN INC TAXES-NONOPERATING	-	-	-	-	-	25
INCOME TAXES-NONOPERATING	149,000	85,000-	156,000-	25,909-	35,040-	26
TOTAL OTHER INCOME DEDUCTIONS	149,000	35,000-	6,000-	25,909-	35,040-	27
INCOME BEFORE INTEREST CHARGES	6,724,933	6,222,210	5,549,212	5,549,299	4,844,450	28
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	3,077,032	2,762,055	2,483,985	2,409,068	2,288,031	29
AMORT OF DEBT DISCOUNT EXPENSE	100,595	73,167	57,989	53,523	51,237	30
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	18,240	14,024	-	-	32
OTHER INTEREST CHARGES	34,224	250,108	329,617	632,976	807,173	33
TOTAL INTEREST CHARGES	3,211,851	3,103,570	2,885,615	3,095,567	3,146,441	34
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS	-	-	-	-	-	37
NET EXTRAORDINARY ITEMS	-	-	-	-	-	38
NET INCOME	$ 3,513,082	$ 3,118,640	$ 2,663,597	$ 2,453,732	$ 1,698,009	39
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 16,736,880	$ 13,929,888	$ 11,592,809	$ 9,480,465	$ 8,138,714	40
BALANCE TRANSFERRED FROM INCOME	3,513,082	3,118,640	2,663,597	2,453,732	1,698,009	41
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK	296,778	311,648	326,518	341,388	356,258	43
-COMMON STOCK	1,091,734	-	-	-	-	44
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR	18,861,450	16,736,880	13,929,888	11,592,809	9,480,465	46
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$ 18,861,450	$ 16,736,880	$ 13,929,888	$ 11,592,809	$ 9,480,465	48
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	54.3	51.3	50.7	49.9	50.5	49
DEPRECIATION AND AMORTIZATION	3.2	3.2	3.3	3.3	3.8	50
INCOME TAXES	6.0	5.1	3.9	4.9	1.1	51
OTHER TAXES	20.4	24.1	25.5	24.0	26.1	52
TOTAL OPERATING EXPENSES	84.0	83.9	83.6	82.2	81.7	53
OPERATING INCOME	15.9	16.0	16.3	17.7	18.2	54
DEPRECIATION + AMORT % OF WATER PLANT	1.6	1.6	1.7	1.6	1.7	55
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	8.1	8.3	8.6	10.0	12.1	56
PRETAX INTEREST COVERAGE	2.9	2.6	2.3	2.3	1.6	57
NET INCOME - % OF OPERATING REVENUES	8.8	8.3	7.9	7.9	6.5	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	0.7	0.8	0.9	1.1	1.3	59
TIMES EARNED	11.8	10.0	8.2	7.2	4.8	60
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	2.7	-	-	-	-	61
PERCENT OF EARNINGS AVAILABLE FOR COMMON	33.9	-	-	-	-	62
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	14.1	14.2	14.1	14.8	10.7	63
DIVIDEND APPROPRIATIONS, COMMON STOCK	4.7	-	-	-	-	64

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

JAMAICA WATER SUPPLY COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 3,513,082	$ 3,118,640	$ 2,883,597	$ 2,453,732	$ 1,698,009
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	2,191,184	1,636,748	1,749,498	1,383,838	1,354,073
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	1,737,000	1,506,000	968,000	1,136,896	283,898
4	INTEREST CAPITALIZED	112,013-	143,111-	57,982-	14,532-	2,087-
5	OTHER (NET)	38,987	1,054,109	37,917	395,426	185,507
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	7,368,240	7,172,386	5,361,048	5,334,160	3,519,420
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	7,368,240	7,172,386	5,361,048	5,334,160	3,519,420
10	LESS DIVIDENDS: PREFERRED	296,778	311,648	326,518	341,388	356,258
11	COMMON	1,091,734	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	5,979,728	6,860,738	5,034,530	4,992,772	3,163,162
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	2,300,000	2,000,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	5,000,000	5,000,000	-	-
17	OTHER (NET)	-	1,285,454	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	6,285,454	5,000,000	2,300,000	2,000,000
20	OTHER SOURCES (NET)	3,146,490	-	-	-	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 9,126,218	$ 13,146,192	$ 10,034,530	$ 7,292,772	$ 5,163,162
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 7,182,489	$ 6,487,806	$ 4,985,468	$ 3,203,026	$ 2,164,778
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER		-	-	-	-
27	TOTAL GROSS ADDITIONS	7,182,489	6,487,806	4,985,468	3,203,026	2,164,778
28	LESS INTEREST CAPITALIZED	112,013	143,111	57,982	14,532	2,067
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	7,070,476	6,344,695	4,927,506	3,188,494	2,162,711
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	828,000	1,556,768	1,775,755	1,876,250	755,083
31	PREFERRED STOCK	132,090	132,090	132,090	132,090	132,090
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	1,750,000	2,050,000	-	500,000
34	OTHER (NET)	-	24,918	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	960,090	3,463,776	3,957,845	2,008,340	1,387,173
37	OTHER USES (NET)	1,095,652	3,337,721	1,149,179	2,095,938	1,613,278
38						
39						
40	TOTAL FUNDS APPLIED	$ 9,126,218	$ 13,146,192	$ 10,034,530	$ 7,292,772	$ 5,163,162

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

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COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

JAMAICA WATER SUPPLY COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 23,085,122	$ 17,289,018	$ 11,824,099	$ 9,259,538	$ 7,944,397	1
UNMETERED SALES TO GENERAL CUSTOMERS	10,887,459	14,411,278	16,582,465	17,093,840	14,574,571	2
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	3
OTHER SALES OF WATER	5,013,616	5,108,951	4,366,032	4,088,116	2,961,896	4
TOTAL REVENUES FROM SALES OF WATER	38,986,197	36,809,245	32,772,596	30,441,494	25,480,864	5
OTHER WATER OPERATING REVENUES	669,270	679,349	603,902	581,588	482,914	6
TOTAL WATER OPERATING REVENUES	$ 39,655,467	$ 37,488,594	$ 33,376,498	$ 31,023,082	$ 25,963,778	7
WATER SALES(T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	15,057,000	12,599,178	9,963,157	8,991,083	9,003,305	8
UNMETERED SALES TO GENERAL CUSTOMERS	7,766,000	11,221,900	15,340,115	17,694,579	16,715,571	9
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	10
OTHER SALES OF WATER	-	-	-	-	-	11
TOTAL SALES OF WATER	22,823,000	23,821,078	25,303,272	26,685,662	25,718,876	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	76,930	53,996	35,981	30,708	29,305	13
UNMETERED SALES TO GENERAL CUSTOMERS	39,828	62,764	80,668	86,167	87,657	14
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	15
OTHER SALES OF WATER	784	778	775	775	773	16
TOTAL CUSTOMERS	117,542	117,538	117,424	117,650	117,735	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG ANNUAL BILL PER CUSTOMER	$ 300.07	$ 320.19	$ 328.62	$ 301.53	$ 271.09	18
AVG CONSUMPTION PER CUSTOMER (T GAL)	195.72	233.33	276.90	292.79	307.22	19
AVG REVENUE PER T GALLONS SOLD (CENTS)	153.32	137.22	118.68	102.99	88.24	20
UNMETERED GENERAL CUSTOMERS						
AVG ANNUAL BILL PER CUSTOMER	$ 273.36	$ 229.61	$ 205.56	$ 198.38	$ 166.26	21
AVG CONSUMPTION PER CUSTOMER (T GAL)	194.98	178.79	190.16	205.35	190.69	22
AVG REVENUE PER T GALLONS SOLD(CENTS)	140.19	128.42	108.10	96.60	87.19	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 498,185	$ 747,278	$ 756,696	$ 591,973	$ 402,859	24
POWER AND PUMPING EXPENSES	5,647,272	5,973,924	6,102,409	5,977,408	5,613,915	25
PURIFICATION EXPENSES	1,734,604	1,408,194	1,306,865	1,240,665	1,009,672	26
TRANSMISSION AND DISTRIBUTION EXPENSES	5,498,201	4,288,223	3,102,749	2,356,885	1,882,925	27
CUSTOMERS ACCT'G+COLLECTING EXPENSES	3,244,575	2,597,949	2,126,420	1,961,333	1,442,724	28
ADMINISTRATIVE+GENERAL EXPENSES	4,910,401	4,242,262	3,558,906	3,358,692	2,781,678	29
TOTAL WATER OPERATION+MAINT EXPENSES	$ 21,533,238	$ 19,257,830	$ 16,954,045	$ 15,486,956	$ 13,133,773	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 77,199,743	$ 70,829,031	$ 64,972,186	$ 60,533,430	$ 58,007,494	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	1,100,934	936,086	1,013,319	1,050,972	786,103	33
PLANT HELD FOR FUTURE USE	-	-	-	-	-	34
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	152,110-	152,110-	152,110-	152,110-	152,110-	37
TOTAL WATER UTILITY PLANT	78,148,567	71,613,007	65,833,395	61,432,292	58,641,487	38
ACCUM PROV FOR DEPR AMORT DEPLETION	20,560,147	20,047,824	19,629,947	19,256,559	18,665,737	39
NET WATER UTILITY PLANT	$ 57,588,420	$ 51,565,183	$ 46,203,448	$ 42,175,733	$ 39,975,750	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 70,829,031	$ 64,972,186	$ 60,533,430	$ 58,007,494	$ 56,015,857	41
ADDITIONS	7,496,695	6,569,779	5,022,959	2,941,567	2,274,411	42
RETIREMENTS	594,293	594,913	583,323	410,171	282,565	43
TRANSFERS AND ADJUSTMENTS	531,690-	118,021-	880-	5,460-	9-	44
PLANT IN SERVICE END OF YEAR	$ 77,199,743	$ 70,829,031	$ 64,972,186	$ 60,533,430	$ 58,007,494	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

JAMAICA WATER SUPPLY COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 39,655,467	$ 37,488,594	$ 33,376,498	$ 31,023,082	$ 25,963,778
2	SALES (THOUSAND GALLONS)	22,823,000	23,821,078	25,303,272	26,685,862	25,718,876
				DOLLAR AMOUNTS		
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 4,185,585	$ 5,186,962	$ 5,505,975	$ 5,492,204	$ 5,008,949
4	WAGES AND BENEFITS	8,521,320	7,500,344	6,307,570	5,658,176	4,944,385
5	OTHER OPERATION AND MAINTENANCE EXPENSES	8,826,333	6,570,524	5,140,500	4,336,576	3,180,439
6	DEPRECIATION AND AMORTIZATION EXPENSES	1,307,544	1,202,082	1,119,324	1,043,239	1,002,480
7	INCOME TAXES - OPERATING	2,386,000	1,940,000	1,312,000	1,551,059	303,938
8	OTHER TAXES - OPERATING	8,098,663	9,061,145	8,526,983	7,449,959	6,793,334
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3,156,181	3,034,018	2,857,156	3,088,288	3,140,583
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	291,401	303,777	322,808	340,356	355,341
11	EARNINGS AVAILABLE FOR COMMON EQUITY	2,882,440	2,689,742	2,284,182	2,063,227	1,234,329
12	TOTAL	$ 39,655,467	$ 37,488,594	$ 33,376,498	$ 31,023,082	$ 25,963,778
				PERCENT OF REVENUES		
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	10.6	13.8	16.5	17.7	19.3
14	WAGES AND BENEFITS	21.5	20.0	18.9	18.2	19.0
15	OTHER OPERATION AND MAINTENANCE EXPENSES	22.3	17.5	15.4	14.0	12.2
16	DEPRECIATION AND AMORTIZATION EXPENSES	3.3	3.2	3.4	3.4	3.9
17	INCOME TAXES - OPERATING	6.0	5.2	3.9	5.0	1.2
18	OTHER TAXES - OPERATING	20.4	24.2	25.5	24.0	26.2
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8.0	8.1	8.6	10.0	12.1
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.7	0.8	1.0	1.1	1.4
21	EARNINGS AVAILABLE FOR COMMON EQUITY	7.3	7.2	6.8	6.7	4.8
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER THOUSAND GALLONS SOLD		
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	18.34	21.77	21.76	20.58	19.48
24	WAGES AND BENEFITS	37.34	31.49	24.93	21.20	19.22
25	OTHER OPERATION AND MAINTENANCE EXPENSES	38.67	27.58	20.32	16.25	12.37
26	DEPRECIATION AND AMORTIZATION EXPENSES	5.73	5.05	4.42	3.91	3.90
27	INCOME TAXES - OPERATING	10.45	8.14	5.19	5.81	1.18
28	OTHER TAXES - OPERATING	35.48	38.04	33.70	27.92	26.41
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	13.83	12.74	11.29	11.57	12.21
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1.28	1.28	1.28	1.28	1.38
31	EARNINGS AVAILABLE FOR COMMON EQUITY	12.63	11.29	9.03	7.73	4.80
32	TOTAL	173.75	157.38	131.91	116.25	100.95

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

KIAMESHA ARTESIAN SPRING WATER COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 472,821	$ 468,183	$ 290,343	$ 286,002	$ 285,745
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	181,118	149,778	136,028	137,054	125,900
3	NET WATER PLANT	291,703	318,405	154,315	148,948	159,845
4	OTHER PHYSICAL PROPERTY	-	-	-	-	-
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	-	-	-	-	-
8	CASH AND WORKING FUNDS	3,728-	8,396	11,528	6,070	868
9	SPECIAL DEPOSITS	-	-	-	-	-
10	TEMPORARY CASH INVESTMENTS	100	100	100	100	100
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	13,703	10,179	6,160	15,046	14,483
12	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
13	MATERIALS AND SUPPLIES	1,390	814	842	522	491
14	PREPAYMENTS	5,266	3,656	4,196	2,922	3,217
15	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
16	TOTAL CURRENT AND ACCRUED ASSETS	16,731	23,145	22,826	24,660	19,159
17	UNAMORTIZED DEBT EXPENSE	5,323	7,078	566	817	1,069
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
20	CLEARING ACCOUNTS	-	-	-	-	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	-	-	-	-	40
23	TOTAL DEFERRED DEBITS	5,323	7,078	566	817	1,109
24	TOTAL ASSETS AND OTHER DEBITS	$ 313,757	$ 346,628	$ 177,707	$ 174,425	$ 180,113
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 7,900	$ 7,900	$ 7,900	$ 7,900	$ 7,900
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	55,675	82,990	43,688	71,847	66,176
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	63,575	90,890	51,588	79,747	74,076
36	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	154,080	178,264	31,983	29,408	42,703
39	NET UNAMORTIZED DEBT PREMIUM - DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	154,080	178,264	31,983	29,408	42,703
41	NOTES AND ACCOUNTS PAYABLE	68,277	46,650	76,741	47,490	48,690
42	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
43	CUSTOMERS' DEPOSITS	-	-	-	-	-
44	TAXES ACCRUED	1,295	5,341	1,140	1,250	3,097
45	OTHER CURRENT AND ACCRUED LIABILITIES	21,448	20,230	7,280	7,280	6,424
46	TOTAL CURRENT AND ACCRUED LIABILITIES	91,020	72,221	85,161	56,020	58,211
47	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	-	-
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	-	-	-	-	-
49	OTHER DEFERRED CREDITS	5,102	5,253	8,975	9,250	5,123
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	-	-	-	-	-
52	OTHER	-	-	-	-	-
53	TOTAL DEFERRED CREDITS	5,102	5,253	8,975	9,250	5,123
54	OPERATING RESERVES	-	-	-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 313,757	$ 346,628	$ 177,707	$ 174,425	$ 180,113

SELECTED BALANCE SHEET RELATIONSHIPS

LINE NO.	ITEM	1985	1984	1983	1982	1981
56	WATER PLANT PER DOLLAR OF REVENUE	1.63	1.52	1.65	1.56	1.65
57	CURRENT ASSETS / CURRENT LIABILITIES	0.18	0.32	0.27	0.44	0.33
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	70.7	66.2	38.2	26.9	36.5
59	PREFERRED STOCK	-	-	-	-	-
60	COMMON STOCK + OTHER PAID-IN CAPITAL	3.6	2.9	9.4	7.2	6.7
61	RETAINED EARNINGS	25.5	30.8	52.2	65.8	56.6
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	32.5	38.2	11.0	10.2	14.9
63	PERCENT OF NET WATER PLANT	52.8	56.3	20.7	19.7	26.7
64	ACCUMULATED PROVISION FOR DEPRE.+AMORT PERCENT OF WATER PLANT	38.3	32.1	46.8	47.9	44.0

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

KIAMESHA ARTESIAN SPRING WATER COMPANY

ITEM		1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT							
WATER OPERATING INCOME							
OPERATING REVENUES	$	287,684 $	248,710 $	174,264 $	183,101 $	172,653	1
OPERATION AND MAINTENANCE EXPENSES		234,751	202,662	176,491	145,034	122,844	2
DEPRECIATION		31,340	13,750	11,424	11,154	12,678	3
AMORTIZATION		-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES		24,469	18,988	15,133	14,449	13,327	5
INCOME TAXES		-	-	-	-	-	6
GAINS FROM DISP. OF UTILITY PLANT							7
LOSSES FROM DISP. OF UTILITY PLANT							8
TOTAL OPERATING EXPENSES		290,560	235,400	203,048	170,637	148,849	9
NET OPERATING REVENUES		2,876-	13,310	28,784-	12,464	23,804	10
INCOME FROM PLANT LEASED TO OTHERS		-	-	-	-	-	11
TOTAL WATER OPERATING INCOME		2,876-	13,310	28,784-	12,464	23,804	12
OTHER INCOME							
INCOME FROM MDSE, JOBBING-CONTRACT WORK		-	-	171	-	-	13
INCOME FROM NONUTILITY OPERATIONS		-	-	-	-	-	14
NONOPERATING RENTAL INCOME		-	-	-	-	-	15
INTEREST AND DIVIDEND INCOME		11	-	-	-	-	16
ALLOWANCE FOR CONSTRUCTION FUNDS		-	-	-	-	-	17
MISCELLANEOUS NONOPERATING INCOME		-	37,599	7,736	-	-	18
GAIN ON DISPOSITION OF PROPERTY		-	-	-	-	-	19
TOTAL OTHER INCOME		11	37,599	7,907	-	-	20
TOTAL INCOME		2,865-	50,909	20,877-	12,464	23,804	21
OTHER INCOME DEDUCTIONS							
LOSS ON DISPOSITION OF PROPERTY		-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION		-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS		-	-	-	40	40	24
TAXES OTHER THAN INC TAXES-NONOPERATING		-	-	-	-	-	25
INCOME TAXES-NONOPERATING		-	-	-	-	-	26
TOTAL OTHER INCOME DEDUCTIONS		-	-	-	40	40	27
INCOME BEFORE INTEREST CHARGES		2,865-	50,909	20,877-	12,424	23,764	28
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		22,076	10,181	3,367	3,116	3,849	29
AMORT OF DEBT DISCOUNT EXPENSE		1,754	1,003	251	252	251	30
AMORT OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES		-	-	-	-	-	32
OTHER INTEREST CHARGES		620	423	3,664	3,385	2,935	33
TOTAL INTEREST CHARGES		24,450	11,607	7,282	6,753	7,035	34
EXTRAORDINARY ITEMS							
EXTRAORDINARY INCOME		-	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS		-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS		-	-	-	-	-	37
NET EXTRAORDINARY ITEMS		-	-	-	-	-	38
NET INCOME	$	27,315-$	39,302 $	28,159-$	5,671 $	16,729	39
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$	82,990 $	43,688 $	71,847 $	66,176 $	49,447	40
BALANCE TRANSFERRED FROM INCOME		27,315-	39,302	28,159-	5,671	16,729	41
APPROPRIATIONS OF RETAINED EARNINGS			-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK			-	-	-	-	43
-COMMON STOCK			-	-	-	-	44
ADJUSTMENTS TO RETAINED EARNINGS		-	-	-	-	-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR		55,675	82,990	43,688	71,847	66,176	46
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$	55,675 $	82,990 $	43,688 $	71,847 $	66,176	48
SELECTED INCOME ACCOUNT RELATIONSHIPS							
PERCENT OF WATER OPERATING REVENUES							
OPERATION AND MAINTENANCE EXPENSES		81.6	81.4	101.2	79.2	71.1	49
DEPRECIATION AND AMORTIZATION		10.8	5.5	6.5	6.0	7.3	50
INCOME TAXES		-	-	-	-	-	51
OTHER TAXES		8.5	7.6	8.6	7.8	7.7	52
TOTAL OPERATING EXPENSES		100.9	94.6	116.5	93.1	86.2	53
OPERATING INCOME		0.8-	5.3	16.4-	6.8	13.7	54
DEPRECIATION + AMORT % OF WATER PLANT		6.6	2.9	3.9	3.8	4.4	55
INTEREST EXPENSE							
PERCENT OF OPERATING REVENUES		8.5	4.7	4.2	3.7	4.1	56
PRETAX INTEREST COVERAGE		-	4.4	2.8-	1.8	3.4	57
NET INCOME - % OF OPERATING REVENUES		9.3-	15.8	16.0-	3.0	9.6	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK							
PERCENT OF OPERATING REVENUES		-	-	-	-	-	59
TIMES EARNED		-	-	-	-	-	60
DIVIDEND APPROPRIATIONS, COMMON STOCK							
PERCENT OF OPERATING REVENUES		-	-	-	-	-	61
PERCENT OF EARNINGS AVAILABLE FOR-COMMON		-	-	-	-	-	62
PERCENT OF AVERAGE COMMON EQUITY:							
EARNINGS AVAILABLE FOR COMMON EQUITY		-	55.1	-	7.3	25.4	63
DIVIDEND APPROPRIATIONS, COMMON STOCK		-	-	-	-	-	64

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

KIAMESHA ARTESIAN SPRING WATER COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 27,315-	$ 39,302	$ 28,159-	$ 5,671	$ 16,729
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	33,094	14,753	11,675	11,446	13,043
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	-	-	-	-	-
4	INTEREST CAPITALIZED	-	-	-	-	
5	OTHER (NET)	-	-	-	4,127	
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	5,779	54,055	16,484-	21,244	29,772
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-		-
9	TOTAL FUNDS FROM INTERNAL SOURCES	5,779	54,055	16,484-	21,244	29,772
10	LESS DIVIDENDS PREFERRED	-	-			-
11	COMMON	-	-	-		-
12	NET FUNDS FROM INTERNAL SOURCES	5,779	54,055	16,484-	21,244	29,772
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	165,000	2,575	-	-
14	PREFERRED STOCK	-	-			-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	165,000	2,575	-	-
20	OTHER SOURCES (NET)	25,214	-	31,085	5,860	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 30,993	$ 219,055	$ 17,176	$ 27,104	$ 29,772
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 6,638	$ 175,840	$ 16,791	$ 257	$ 2,287
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-		-	-
27	TOTAL GROSS ADDITIONS	6,638	175,840	16,791	257	2,287
28	LESS INTEREST CAPITALIZED	-	-		-	
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	6,638	175,840	16,791	257	2,287
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	24,204	18,719		13,295	9,084
31	PREFERRED STOCK	-	-		-	
32	REDEMPTION OF CAPITAL STOCK	-	-		-	
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	151	-	-	-	
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	24,355	18,719	-	13,295	9,084
37	OTHER USES (NET)	-	24,496	385	13,552	18,401
38						
39						
40	TOTAL FUNDS APPLIED	$ 30,993	$ 219,055	$ 17,176	$ 27,104	$ 29,772

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

KIAMESHA ARTESIAN SPRING WATER COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO.
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 97,453	$ 82,596	$ 70,952	$ 68,597	$ 65,757	1
UNMETERED SALES TO GENERAL CUSTOMERS	180,628	155,934	98,430	102,818	96,950	2
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	3
OTHER SALES OF WATER	7,233	9,419	3,877	8,802	7,639	4
TOTAL REVENUES FROM SALES OF WATER	285,314	247,949	173,259	180,217	170,346	5
OTHER WATER OPERATING REVENUES	2,370	761	1,005	2,884	2,307	6
TOTAL WATER OPERATING REVENUES	$ 287,684	$ 248,710	$ 174,264	$ 183,101	$ 172,653	7
WATER SALES(T.GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	26,622	25,426	31,169	29,440	26,230	8
UNMETERED SALES TO GENERAL CUSTOMERS	90,408	89,855	83,745	87,510	86,780	9
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	10
OTHER SALES OF WATER	1,000	1,000	1,000	10,000	10,000	11
TOTAL SALES OF WATER	118,030	116,281	115,914	126,950	123,010	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	272	261	255	255	255	13
UNMETERED SALES TO GENERAL CUSTOMERS	4	4	4	3	3	14
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	15
OTHER SALES OF WATER	5	5	5	5	5	16
TOTAL CUSTOMERS	281	270	264	263	263	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 358.28	$ 316.45	$ 278.24	$ 269.00	$ 257.87	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	97.87	97.41	122.23	115.45	102.86	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	366.06	324.85	227.64	233.01	250.69	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 45,157.00	$ 38,983.50	$ 24,607.50	$ 34,272.66	$ 32,316.66	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	22,602.00	22,463.75	20,936.25	29,170.00	28,926.66	22
AVG. REVENUE PER T.GALLONS SOLD(CENTS)	199.79	173.54	117.54	117.49	111.72	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 23,517	$ 5,930	$ 7,166	$ 5,357	$ 6,206	24
POWER AND PUMPING EXPENSES	75,076	76,843	62,381	59,498	49,191	25
PURIFICATION EXPENSES	39,612	34,163	29,948	28,403	22,165	26
TRANSMISSION AND DISTRIBUTION EXPENSES	19,507	10,195	18,360	9,156	5,716	27
CUSTOMERS ACCT'G+COLLECTING EXPENSES	26,093	26,877	21,828	19,022	13,667	28
ADMINISTRATIVE+GENERAL EXPENSES	50,946	48,854	38,807	23,598	25,899	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 234,751	$ 202,862	$ 178,490	$ 145,034	$ 122,844	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 469,821	$ 463,183	$ 287,343	$ 283,002	$ 282,745	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	-	-	-	-	-	33
PLANT HELD FOR FUTURE USE	3,000	3,000	3,000	3,000	3,000	34
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	-	-	-	-	-	37
TOTAL WATER UTILITY PLANT	472,821	466,183	290,343	286,002	285,745	38
ACCUM PROV FOR DEPR., AMORT., DEPLETION	181,118	149,778	136,028	137,054	125,900	39
NET WATER UTILITY PLANT	$ 291,703	$ 316,405	$ 154,315	$ 148,948	$ 159,845	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 463,183	$ 287,343	$ 283,002	$ 282,745	$ 280,457	41
ADDITIONS	6,638	175,840	22,051	257	2,288	42
RETIREMENTS	-	-	17,710	-	-	43
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	44
PLANT IN SERVICE END OF YEAR	$ 469,821	$ 463,183	$ 287,343	$ 283,002	$ 282,745	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

KIAMESHA ARTESIAN SPRING WATER COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 287,684	$ 248,710	$ 174,264	$ 183,101	$ 172,653
2	SALES (THOUSAND GALLONS)	118,030	116,281	115,914	126,950	123,010
				DOLLAR AMOUNTS		
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 51,826	$ 55,974	$ 48,779	$ 50,683	$ 40,259
4	WAGES AND BENEFITS	7,868	58,260	2,452	41,412	26,958
5	OTHER OPERATION AND MAINTENANCE EXPENSES	175,057	88,428	125,259	52,939	55,627
6	DEPRECIATION AND AMORTIZATION EXPENSES	31,340	13,750	11,424	11,154	12,678
7	INCOME TAXES - OPERATING	-	-	-	-	-
8	OTHER TAXES - OPERATING	24,469	18,988	15,133	14,449	13,327
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	24,450	11,607	7,282	6,753	7,035
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	27,328-	1,703	36,068-	5,711	16,769
12	TOTAL	$ 287,684	$ 248,710	$ 174,264	$ 183,101	$ 172,653
				PERCENT OF REVENUES		
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	18.0	22.5	28.0	27.7	23.3
14	WAGES AND BENEFITS	2.7	23.4	1.4	22.6	15.6
15	OTHER OPERATION AND MAINTENANCE EXPENSES	60.9	35.6	71.9	28.9	32.2
16	DEPRECIATION AND AMORTIZATION EXPENSES	10.9	5.5	6.6	6.1	7.3
17	INCOME TAXES - OPERATING	-	-	-	-	-
18	OTHER TAXES - OPERATING	8.5	7.6	8.7	7.9	7.7
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8.5	4.7	4.2	3.7	4.1
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	9.4-	0.7	20.6-	3.1	9.7
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER THOUSAND GALLONS SOLD		
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	43.91	48.14	42.08	39.92	32.73
24	WAGES AND BENEFITS	6.67	50.10	2.12	32.62	21.92
25	OTHER OPERATION AND MAINTENANCE EXPENSES	148.32	76.05	108.06	41.70	45.22
26	DEPRECIATION AND AMORTIZATION EXPENSES	26.55	11.82	9.86	8.79	10.31
27	INCOME TAXES - OPERATING	-	-	-	-	-
28	OTHER TAXES - OPERATING	20.73	16.33	13.06	11.38	10.83
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	20.72	9.98	6.28	5.32	5.72
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	23.14-	1.46	31.10-	4.50	13.63
32	TOTAL	243.74	213.89	150.34	144.23	140.36

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

LONG ISLAND WATER CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 43,489,008	$ 42,195,102	$ 41,103,012	$ 40,166,469	$ 39,010,110
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	13,226,724	12,581,639	11,983,083	11,408,172	10,856,103
3	NET WATER PLANT	30,262,284	29,613,463	29,119,929	28,758,297	28,154,007
4	OTHER PHYSICAL PROPERTY	63,368	63,368	63,368	63,368	64,064
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	63,368	63,368	63,368	63,368	64,064
8	CASH AND WORKING FUNDS	131,654	98,276	124,878	58,166	99,443
9	SPECIAL DEPOSITS	250	250	250	250	250
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	2,164,483	1,974,852	1,898,839	1,728,362	1,334,187
12	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
13	MATERIALS AND SUPPLIES	491,688	524,624	545,112	568,582	145,716
14	PREPAYMENTS	249,183	231,967	222,113	195,387	193,572
15	OTHER CURRENT AND ACCRUED ASSETS	1,221,447	1,194,570	1,136,502	1,033,641	905,761
16	TOTAL CURRENT AND ACCRUED ASSETS	4,258,703	4,024,539	3,927,694	3,594,968	3,078,429
17	UNAMORTIZED DEBT EXPENSE	298,908	202,120	223,112	244,166	138,566
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	16,772	10,598	13,710	9,592	11,330
20	CLEARING ACCOUNTS	682	-	-	-	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	125,765	253,011	75,359	161,158	66,822
23	TOTAL DEFERRED DEBITS	442,127	465,727	312,181	414,916	217,318
24	TOTAL ASSETS AND OTHER DEBITS	$ 35,026,482	$ 34,167,097	$ 33,423,172	$ 32,831,549	$ 31,513,818
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 10,000,000	$ 10,000,000	$ 10,000,000	$ 10,000,000	$ 10,000,000
26	PREFERRED CAPITAL STOCK	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	4,162,279	4,329,336	4,448,514	4,114,973	3,901,590
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	15,287,283	15,454,336	15,573,514	15,239,973	15,026,590
36	BONDS (LESS BONDS REACQUIRED)	15,580,000	11,920,000	13,500,000	13,680,000	11,480,000
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	-	-	-	-	-
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	15,580,000	11,920,000	13,500,000	13,680,000	11,480,000
41	NOTES AND ACCOUNTS PAYABLE	965,797	896,760	971,729	715,348	681,446
42	PAYABLES TO ASSOCIATED COMPANIES	559,246-	2,955,281	855,236	749,833	2,636,242
43	CUSTOMERS' DEPOSITS	118,628	124,213	130,800	116,558	121,682
44	TAXES ACCRUED	1,101,528	619,936	574,826	661,355	350,726
45	OTHER CURRENT AND ACCRUED LIABILITIES	777,347	748,685	708,005	682,925	442,429
46	TOTAL CURRENT AND ACCRUED LIABILITIES	2,404,055	5,344,875	3,240,596	2,926,019	4,172,325
47	CUSTOMER ADVANCES FOR CONSTRUCTION	382,389	240,750	258,970	303,281	388,844
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	639,194	572,589	443,547	354,382	250,664
49	OTHER DEFERRED CREDITS	73,527	68,527	49,998	78,083	24,544
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	620,643	469,308	334,893	227,678	143,247
52	OTHER	38,795	96,704	21,654	72,155	27,604
53	TOTAL DEFERRED CREDITS	1,754,547	1,447,888	1,109,062	985,557	834,903
54	OPERATING RESERVES	-	-	-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 35,026,482	$ 34,167,097	$ 33,423,172	$ 32,831,549	$ 31,513,818
	SELECTED BALANCE SHEET RELATIONSHIPS					
56	WATER PLANT PER DOLLAR OF REVENUE	1.91	1.97	1.98	2.16	2.39
57	CURRENT ASSETS / CURRENT LIABILITIES	1.77	0.75	1.21	1.22	0.73
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	50.4	43.5	46.4	47.3	43.3
59	PREFERRED STOCK	3.6	4.1	3.8	3.8	4.2
60	COMMON STOCK + OTHER PAID-IN CAPITAL	32.3	36.5	34.3	34.5	37.7
61	RETAINED EARNINGS	13.4	15.8	15.3	14.2	14.7
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	35.8	28.2	32.8	34.0	29.4
63	PERCENT OF NET WATER PLANT	51.4	40.2	46.3	47.5	40.7
64	ACCUMULATED PROVISION FOR DEPRE.+AMORT. PERCENT OF WATER PLANT	30.4	29.8	29.1	28.4	27.8

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

LONG ISLAND WATER CORPORATION

ITEM		1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT							
WATER OPERATING INCOME							
OPERATING REVENUES	$	22,395,060 $	21,101,766 $	20,522,055 $	18,299,886 $	16,138,396	1
OPERATION AND MAINTENANCE EXPENSES		7,903,629	7,369,012	7,056,784	6,291,550	5,806,889	2
DEPRECIATION		656,527	627,721	611,777	593,621	576,415	3
AMORTIZATION		-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES		8,599,434	7,854,526	7,546,702	6,520,319	5,970,950	5
INCOME TAXES		1,451,978	1,567,344	1,567,381	1,461,419	956,572	6
GAINS FROM DISP. OF UTILITY PLANT							7
LOSSES FROM DISP. OF UTILITY PLANT							8
TOTAL OPERATING EXPENSES		18,611,568	17,418,603	16,782,644	14,866,909	13,310,826	9
NET OPERATING REVENUES		3,783,492	3,683,163	3,739,411	3,432,977	2,827,570	10
INCOME FROM PLANT LEASED TO OTHERS		-	400	1,100	1,000	-	11
TOTAL WATER OPERATING INCOME		3,783,492	3,683,563	3,740,511	3,433,977	2,827,570	12
OTHER INCOME							
INCOME FROM MDSE, JOBBING-CONTRACT WORK		2,144	53	11,203		1,293	13
INCOME FROM NONUTILITY OPERATIONS		795	1,702			31,661-	14
NONOPERATING RENTAL INCOME							15
INTEREST AND DIVIDEND INCOME		-	81	67	16,762	67	16
ALLOWANCE FOR CONSTRUCTION FUNDS		1,919	34,290	8,552	8,411	10,606	17
MISCELLANEOUS NONOPERATING INCOME		-	-	10,891	-	2	18
GAIN ON DISPOSITION OF PROPERTY		-	-	-	-	-	19
TOTAL OTHER INCOME		4,858	36,010	30,713	25,173	19,693-	20
TOTAL INCOME		3,788,350	3,719,573	3,771,224	3,459,150	2,807,877	21
OTHER INCOME DEDUCTIONS							
LOSS ON DISPOSITION OF PROPERTY		-	-	-	-		22
MISCELLANEOUS AMORTIZATION		44,278	-	-	-		23
MISCELLANEOUS DEDUCTIONS		10,657	13,650	11,800	10,554	12,150	24
TAXES OTHER THAN INC TAXES-NONOPERATING		11,760	11,010	14,408	21,128	25,100	25
INCOME TAXES-NONOPERATING		17,275	908-	7,050-	14,832-	53,391-	26
TOTAL OTHER INCOME DEDUCTIONS		83,970	23,752	19,158	16,850	16,141-	27
INCOME BEFORE INTEREST CHARGES		3,704,380	3,695,821	3,752,066	3,442,300	2,824,018	28
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		1,731,873	1,293,884	1,390,662	1,296,188	869,380	29
AMORT OF DEBT DISCOUNT EXPENSE		28,812	20,992	21,034	18,731	11,871	30
AMORT OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES		87,059-	136,357	40,573	4,872	267,855	32
OTHER INTEREST CHARGES		14,186	13,641	14,381	9,001	13,449	33
TOTAL INTEREST CHARGES		1,687,812	1,464,874	1,466,650	1,328,792	1,162,555	34
EXTRAORDINARY ITEMS							
EXTRAORDINARY INCOME		-	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS		-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS		-	-	-	-	-	37
NET EXTRAORDINARY ITEMS		-	-	-	-	-	38
NET INCOME	$	2,016,568 $	2,230,947 $	2,285,416 $	2,113,508 $	1,661,463	39
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$	4,329,336 $	4,448,514 $	4,114,973 $	3,301,590 $	3,191,502	40
BALANCE TRANSFERRED FROM INCOME		2,016,568	2,230,947	2,285,416	2,113,508	1,661,463	41
APPROPRIATIONS OF RETAINED EARNINGS		-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK		50,625	50,625	50,625	50,625	50,625	43
COMMON STOCK		2,133,000	2,299,500	1,901,250	1,249,500	1,500,750	44
ADJUSTMENTS TO RETAINED EARNINGS		-	-	-	-	-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR		4,162,279	4,329,336	4,448,514	4,114,973	3,301,590	46
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$	4,162,279 $	4,329,336 $	4,448,514 $	4,114,973 $	3,301,590	48
SELECTED INCOME ACCOUNT RELATIONSHIPS							
PERCENT OF WATER OPERATING REVENUES							
OPERATION AND MAINTENANCE EXPENSES		35.2	34.9	34.3	34.3	35.9	49
DEPRECIATION AND AMORTIZATION		2.9	2.9	2.9	3.2	3.5	50
INCOME TAXES		6.4	7.4	7.6	7.9	5.9	51
OTHER TAXES		38.3	37.2	36.7	35.6	36.9	52
TOTAL OPERATING EXPENSES		83.1	82.5	81.7	81.2	82.4	53
OPERATING INCOME		16.8	17.4	18.2	18.7	17.5	54
DEPRECIATION + AMORT % OF WATER PLANT		1.5	1.4	1.4	1.4	1.4	55
INTEREST EXPENSE							
PERCENT OF OPERATING REVENUES		7.5	6.9	7.1	7.3	7.2	56
PRETAX INTEREST COVERAGE		3.1	3.6	3.6	3.7	3.2	57
NET INCOME - % OF OPERATING REVENUES		9.0	10.5	11.1	11.5	10.2	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK							
PERCENT OF OPERATING REVENUES		0.2	0.2	0.2	0.2	0.3	59
TIMES EARNED		39.8	44.1	45.1	41.7	32.8	60
DIVIDEND APPROPRIATIONS, COMMON STOCK							
PERCENT OF OPERATING REVENUES		9.5	10.8	9.2	6.8	9.2	61
PERCENT OF EARNINGS AVAILABLE FOR COMMON		108.4	106.4	85.1	60.6	93.1	62
PERCENT OF AVERAGE COMMON EQUITY							
EARNINGS AVAILABLE FOR COMMON EQUITY		13.8	15.1	15.6	14.7	11.6	63
DIVIDEND APPROPRIATIONS, COMMON STOCK		14.9	15.9	13.3	13.2	10.8	64

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

LONG ISLAND WATER CORPORATION

LINE NO	ITEM		1985		1984		1983		1982		1981
	FUNDS PROVIDED										
	INTERNAL SOURCES										
1	INCOME BEFORE EXTRAORDINARY ITEMS	$	2,016,568	$	2,230,947	$	2,285,416	$	2,113,508	$	1,661,463
	NON CASH CHARGES(CREDITS) TO INCOME										
2	DEPRECIATION, DEPLETION AND AMORTIZATION		685,339		648,713		632,831		701,228		704,987
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)		160,032		338,505		145,881		232,698		48,650
4	INTEREST CAPITALIZED		1,919-		34,290-		8,552-		8,411-		10,906-
5	OTHER (NET)		25,348		172,928-		55,844		291,746-		
6											
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS		2,885,968		3,010,947		3,111,420		2,747,277		2,404,194
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES				-						
9	TOTAL FUNDS FROM INTERNAL SOURCES		2,885,968		3,010,947		3,111,420		2,747,277		2,404,194
10	LESS DIVIDENDS PREFERRED		50,625		50,625		50,625		50,625		50,625
11	COMMON		2,133,000		2,299,500		1,901,250		1,849,500		1,500,750
12	NET FUNDS FROM INTERNAL SOURCES		702,343		660,822		1,159,545		847,152		852,819
	EXTERNAL SOURCES										
13	LONG TERM DEBT		4,000,000		-				4,000,000		
14	PREFERRED STOCK		-		-				-		-
15	COMMON STOCK		-		-		-		-		-
16	NET INCREASE IN SHORT TERM DEBT		-		2,100,045		105,403		-		1,706,587
17	OTHER (NET)		-		226,927				-		1,430
18											
19	TOTAL FUNDS FROM EXTERNAL SOURCES		4,000,000		2,326,972		105,403		4,000,000		1,708,017
20	OTHER SOURCES (NET)		340,139		92,611-		17,970		125,123		231,732
21											
22											
23	TOTAL FUNDS PROVIDED	$	5,042,482	$	2,895,183	$	1,282,918	$	4,972,275	$	2,792,568
	FUNDS APPLIED										
	CONSTRUCTION EXPENDITURES										
	GROSS ADDITIONS										
24	WATER PLANT	$	1,449,346	$	1,318,460	$	1,083,491	$	1,278,839	$	1,138,271
25	NON-UTILITY PLANT				-						
26	OTHER				-						
27	TOTAL GROSS ADDITIONS		1,449,346		1,318,460		1,083,491		1,278,839		1,138,271
28	LESS INTEREST CAPITALIZED		1,919		34,290		8,552		8,411		10,906
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED		1,447,427		1,284,170		1,074,939		1,270,428		1,127,365
	RETIREMENT OF DEBT AND SECURITIES										
30	LONG TERM DEBT		340,000		1,580,000		180,000		1,780,000		1,580,000
31	PREFERRED STOCK				-		-		-		
32	REDEMPTION OF CAPITAL STOCK				-		-		-		
33	NET DECREASE IN SHORT TERM DEBT		3,514,527		-		-		1,888,209		
34	OTHER (NET)		1,300,000-		-		-		-		
35											
36	TOTAL RETIREMENT OF DEBT AND SECURITIES		2,554,527		1,580,000		180,000		3,668,209		1,580,000
37	OTHER USES (NET)		1,040,528		31,013		27,979		33,638		85,203
38											
39											
40	TOTAL FUNDS APPLIED	$	5,042,482	$	2,895,183	$	1,282,918	$	4,972,275	$	2,792,568

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

LONG ISLAND WATER CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 20,547,671	$ 19,369,833	$ 18,841,099	$ 16,772,401	$ 14,807,554	1
UNMETERED SALES TO GENERAL CUSTOMERS	5,828	3,333	8,357	2,264	4,439	2
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	3
OTHER SALES OF WATER	1,778,254	1,670,165	1,623,042	1,473,986	1,272,298	4
TOTAL REVENUES FROM SALES OF WATER	22,331,753	21,043,331	20,472,498	18,248,651	16,084,291	5
OTHER WATER OPERATING REVENUES	63,307	58,435	49,557	51,235	54,105	6
TOTAL WATER OPERATING REVENUES	$ 22,395,060	$ 21,101,766	$ 20,522,055	$ 18,299,886	$ 16,138,396	7
WATER SALES(T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	9,438,764	9,339,926	9,466,051	8,922,026	9,205,797	8
UNMETERED SALES TO GENERAL CUSTOMERS	1,717	1,305	3,506	1,079	2,812	9
SALES TO OTHER WATER COMPANIES	-	-	-		-	10
OTHER SALES OF WATER	-	-	-	-	-	11
TOTAL SALES OF WATER	9,440,481	9,341,231	9,469,557	8,923,105	9,208,609	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	71,202	70,929	70,883	70,593	70,457	13
UNMETERED SALES TO GENERAL CUSTOMERS	8	5	9	3	5	14
SALES TO OTHER WATER COMPANIES	-	-	-		-	15
OTHER SALES OF WATER	509	500	428	412	408	16
TOTAL CUSTOMERS	71,719	71,434	71,320	71,008	70,870	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG ANNUAL BILL PER CUSTOMER	$ 288.58	$ 273.08	$ 265.80	$ 237.59	$ 210.16	18
AVG CONSUMPTION PER CUSTOMER (T. GAL)	132.56	131.67	133.54	126.38	130.65	19
AVG REVENUE PER T. GALLONS SOLD (CENTS)	217.69	207.39	199.04	187.99	160.85	20
UNMETERED GENERAL CUSTOMERS						
AVG ANNUAL BILL PER CUSTOMER	$ 728.50	$ 666.60	$ 928.55	$ 754.66	$ 887.80	21
AVG CONSUMPTION PER CUSTOMER (T. GAL)	214.62	261.00	389.55	359.66	562.40	22
AVG REVENUE PER T GALLONS SOLD(CENTS)	339.43	255.40	238.36	209.82	157.86	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 82,143	$ 77,956	$ 81,540	$ 75,697	$ 64,432	24
POWER AND PUMPING EXPENSES	2,117,490	1,931,058	1,924,094	1,753,194	1,771,100	25
PURIFICATION EXPENSES	680,240	700,682	634,153	573,738	518,845	26
TRANSMISSION AND DISTRIBUTION EXPENSES	1,671,803	1,611,286	1,595,001	1,362,390	1,279,616	27
CUSTOMERS ACCT G+COLLECTING EXPENSES	1,396,334	1,283,318	1,246,990	1,100,268	497,345	28
ADMINISTRATIVE+GENERAL EXPENSES	1,955,619	1,764,817	1,575,006	1,425,963	1,175,551	29
TOTAL WATER OPERATION+MAINT EXPENSES	$ 7,903,629	$ 7,369,012	$ 7,056,784	$ 6,291,250	$ 5,306,889	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 42,067,975	$ 41,185,026	$ 39,851,742	$ 38,932,211	$ 37,891,384	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	468,820	13,586	254,780	237,768	122,236	33
PLANT HELD FOR FUTURE USE	110,933	110,933	110,933	110,933	110,933	34
PLANT ACQUISITION ADJUSTMENTS	841,280	885,557	885,557	885,557	885,557	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	-	-	-	-	-	37
TOTAL WATER UTILITY PLANT	43,489,008	42,195,102	41,103,012	40,166,469	39,010,110	38
ACCUM PROV FOR DEPR, AMORT, DEPLETION	13,226,724	12,581,639	11,983,083	11,408,172	10,856,103	39
NET WATER UTILITY PLANT	$ 30,262,284	$ 29,613,463	$ 29,119,929	$ 28,758,297	$ 28,154,007	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 41,185,026	$ 39,851,742	$ 38,932,211	$ 37,891,384	$ 37,006,213	41
ADDITIONS	990,851	1,467,770	1,055,450	1,164,003	1,101,498	42
RETIREMENTS	107,902	134,486	135,919	123,176	214,897	43
TRANSFERS AND ADJUSTMENTS	-	-	-		(1,430)	44
PLANT IN SERVICE END OF YEAR	$ 42,067,975	$ 41,185,026	$ 39,851,742	$ 38,932,211	$ 37,891,384	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

LONG ISLAND WATER CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 22,395,080	$ 21,101,786	$ 20,522,055	$ 18,299,686	$ 16,138,396
2	SALES (THOUSAND GALLONS)	9,440,481	9,341,231	9,469,557	8,923,105	9,208,609
	DOLLAR AMOUNTS					
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 1,682,401	$ 1,549,773	$ 1,533,075	$ 1,405,618	$ 1,461,676
4	WAGES AND BENEFITS	4,185,211	3,958,155	3,736,849	3,335,220	2,913,962
5	OTHER OPERATION AND MAINTENANCE EXPENSES	2,038,017	1,860,684	1,785,780	1,549,712	1,431,251
6	DEPRECIATION AND AMORTIZATION EXPENSES	656,527	627,721	611,777	593,621	576,415
7	INCOME TAXES - OPERATING	1,451,978	1,567,344	1,567,381	1,461,419	956,572
8	OTHER TAXES - OPERATING	8,599,434	7,854,528	7,546,702	6,520,319	5,970,950
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1,686,943	1,452,256	1,463,408	1,325,604	1,158,717
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	50,800	50,145	50,508	50,499	50,413
11	EARNINGS AVAILABLE FOR COMMON EQUITY	2,045,949	2,181,162	2,226,597	2,057,674	1,618,440
12	TOTAL	$ 22,395,080	$ 21,101,786	$ 20,522,055	$ 18,299,686	$ 16,138,396
	PERCENT OF REVENUES					
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	7.5	7.3	7.5	7.7	9.1
14	WAGES AND BENEFITS	18.7	18.8	18.2	18.2	18.1
15	OTHER OPERATION AND MAINTENANCE EXPENSES	9.1	8.8	8.7	8.5	8.9
16	DEPRECIATION AND AMORTIZATION EXPENSES	2.9	3.0	3.0	3.2	3.6
17	INCOME TAXES - OPERATING	6.5	7.4	7.6	8.0	5.9
18	OTHER TAXES - OPERATING	38.4	37.2	36.8	35.6	37.0
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.5	6.9	7.1	7.2	7.2
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.2	0.2	0.2	0.3	0.3
21	EARNINGS AVAILABLE FOR COMMON EQUITY	9.1	10.3	10.8	11.2	10.0
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	CENTS PER THOUSAND GALLONS SOLD					
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	17.82	16.59	16.19	15.75	15.87
24	WAGES AND BENEFITS	44.33	42.37	39.46	37.38	31.64
25	OTHER OPERATION AND MAINTENANCE EXPENSES	21.59	19.92	18.86	17.37	15.54
26	DEPRECIATION AND AMORTIZATION EXPENSES	6.95	6.72	6.46	6.65	6.26
27	INCOME TAXES - OPERATING	15.38	16.78	16.55	16.38	10.39
28	OTHER TAXES - OPERATING	91.09	84.08	79.69	73.07	64.84
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	17.87	15.55	15.45	14.86	12.58
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.54	0.54	0.53	0.57	0.55
31	EARNINGS AVAILABLE FOR COMMON EQUITY	21.67	23.35	23.51	23.06	17.58
32	TOTAL	237.22	225.90	216.72	205.08	175.25

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

NEW ROCHELLE WATER COMPANY, THE

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 28,928,743	$ 27,422,296	$ 26,051,953	$ 25,007,394	$ 24,062,785
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	6,617,188	6,344,504	5,992,404	5,695,451	5,503,278
3	NET WATER PLANT	22,311,555	21,077,792	20,059,549	19,311,943	18,559,507
4	OTHER PHYSICAL PROPERTY	-	-	-	-	-
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	-	-	-	-	-
8	CASH AND WORKING FUNDS	3,571,693	2,504,382	118,637	189,082	278,979
9	SPECIAL DEPOSITS	800	1,350	1,350	1,350	1,350
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	600,821	981,832	945,888	911,904	781,360
12	RECEIVABLES FROM ASSOCIATED COMPANIES	10,471	10,236	1,309,464	5,770	-
13	MATERIALS AND SUPPLIES	143,968	133,153	140,080	153,027	149,255
14	PREPAYMENTS	127,869	113,133	114,717	107,490	44,172
15	OTHER CURRENT AND ACCRUED ASSETS	1,919,871	1,592,697	1,450,277	1,405,766	1,191,975
16	TOTAL CURRENT AND ACCRUED ASSETS	6,375,493	5,337,382	4,080,611	2,774,389	2,447,091
17	UNAMORTIZED DEBT EXPENSE	-	-	-	-	-
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	10,880	-	-	-
20	CLEARING ACCOUNTS	575	19,930	9,181	7,635	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	436,661	921,202	435,303	506,861	481,436
23	TOTAL DEFERRED DEBITS	437,236	952,012	444,484	514,496	481,436
24	TOTAL ASSETS AND OTHER DEBITS	$ 29,124,284	$ 26,967,186	$ 24,584,644	$ 22,600,828	$ 21,488,034
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000
26	PREFERRED CAPITAL STOCK	30,600	30,600	30,600	975,000	975,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	9,003,497	9,003,497	9,003,497	9,350,697	9,350,697
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	14,477,857	13,074,548	11,328,005	9,593,372	8,475,329
34	REACQUIRED CAPITAL STOCK	-	-	-	1,291,225-	1,291,225-
35	TOTAL PROPRIETARY CAPITAL	23,561,954	22,158,645	20,412,102	18,677,844	17,559,801
36	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	-	-	-	-	-
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	-	-	-	-	-
41	NOTES AND ACCOUNTS PAYABLE	697,119	605,593	311,508	238,288	346,854
42	PAYABLES TO ASSOCIATED COMPANIES	322,641	22,739	11,241	9,181	-
43	CUSTOMERS' DEPOSITS	24,056	23,984	23,580	28,511	31,084
44	TAXES ACCRUED	99,416	74,783	256,253	213,533	128,284
45	OTHER CURRENT AND ACCRUED LIABILITIES	627,340	684,211	874,475	848,360	497,716
46	TOTAL CURRENT AND ACCRUED LIABILITIES	1,770,572	1,411,320	1,477,057	1,337,873	1,003,938
47	CUSTOMER ADVANCES FOR CONSTRUCTION	783,963	643,764	234,236	269,333	913,567
48	ACCUM DEFERRED INVESTMENT TAX CREDITS	860,739	744,167	618,602	528,074	328,891
49	OTHER DEFERRED CREDITS	383-	9-	-	-	-
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORTIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	663,069	486,189	378,061	270,333	175,788
52	OTHER	201,014	239,734	181,230	234,015	222,693
53	TOTAL DEFERRED CREDITS	2,508,402	2,113,845	1,412,129	1,301,755	1,640,939
54	OPERATING RESERVES	1,283,356	1,283,356	1,283,356	1,283,356	1,283,356
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 29,124,284	$ 26,967,186	$ 24,584,644	$ 22,600,828	$ 21,488,034
	SELECTED BALANCE SHEET RELATIONSHIPS					
56	WATER PLANT PER DOLLAR OF REVENUE	2.50	2.23	2.24	2.52	2.68
57	CURRENT ASSETS / CURRENT LIABILITIES	3.60	3.78	2.76	2.07	2.44
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	-	-	-	-	-
59	PREFERRED STOCK	0.1	0.1	0.1	5.2	5.5
60	COMMON STOCK + OTHER PAID-IN CAPITAL	38.4	40.8	44.3	43.4	46.1
61	RETAINED EARNINGS	61.4	59.0	55.4	51.3	48.2
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	-	-	-	-	-
63	PERCENT OF NET WATER PLANT	-	-	-	-	-
64	ACCUMULATED PROVISION FOR DEPRE +AMORT PERCENT OF WATER PLANT	22.8	23.1	23.0	22.7	22.8

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

NEW ROCHELLE WATER COMPANY, THE

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT

ITEM		1985	1984	1983	1982	1981	LINE NO
WATER OPERATING INCOME							
OPERATING REVENUES	$	11,267,561 $	11,687,066 $	11,416,082 $	9,743,045 $	8,790,930	1
OPERATION AND MAINTENANCE EXPENSES		4,385,033	4,393,564	4,207,870	4,035,613	3,853,985	2
DEPRECIATION		477,101	448,253	428,677	383,703	383,207	3
AMORTIZATION		-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES		3,018,001	2,855,266	2,762,862	2,348,905	2,387,504	5
INCOME TAXES		1,026,427	1,217,022	1,233,672	744,267	470,694	6
GAINS FROM DISP. OF UTILITY PLANT							7
LOSSES FROM DISP. OF UTILITY PLANT							8
TOTAL OPERATING EXPENSES		8,906,562	8,914,105	8,633,081	7,512,488	7,095,390	9
NET OPERATING REVENUES		2,360,999	2,752,961	2,783,001	2,230,557	1,695,540	10
INCOME FROM PLANT LEASED TO OTHERS		-	-	-	-	-	11
TOTAL WATER OPERATING INCOME		2,360,999	2,752,961	2,783,001	2,230,557	1,695,540	12
OTHER INCOME							
INCOME FROM MDSE, JOBBING+CONTRACT WORK		1,063	1,577-	2,683-	5,237	3,904	13
INCOME FROM NONUTILITY OPERATIONS		-	-	-	-	-	14
NONOPERATING RENTAL INCOME		-	-	-	-	-	15
INTEREST AND DIVIDEND INCOME		-	-	-	-	257	16
ALLOWANCE FOR CONSTRUCTION FUNDS		2,473	-	51	1,090	1,727	17
MISCELLANEOUS NONOPERATING INCOME		4,440	22,220	2,612	5,899	971	18
GAIN ON DISPOSITION OF PROPERTY		-	-	-	-	-	19
TOTAL OTHER INCOME		7,976	20,643	20-	12,226	6,859	20
TOTAL INCOME		2,368,975	2,773,604	2,782,981	2,242,783	1,702,399	21
OTHER INCOME DEDUCTIONS							
LOSS ON DISPOSITION OF PROPERTY		-	-	-		-	22
MISCELLANEOUS AMORTIZATION		-	-	-		-	23
MISCELLANEOUS DEDUCTIONS		-	3,269	1,003	814	3,761	24
TAXES OTHER THAN INC TAXES-NONOPERATING		-	-	-			25
INCOME TAXES-NONOPERATING		18,850-	16,510-	16,584-	13,177	16,245-	26
TOTAL OTHER INCOME DEDUCTIONS		18,850-	13,241-	15,581-	13,991	12,484-	27
INCOME BEFORE INTEREST CHARGES		2,387,825	2,786,845	2,798,562	2,228,792	1,714,883	28
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		-	-	-	-	-	29
AMORT OF DEBT DISCOUNT EXPENSE		-	-	-	-	-	30
AMORT OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES		990,828	1,039,231	1,063,684	1,107,020	975,270	32
OTHER INTEREST CHARGES		6,312-	1,071	245	3,729	3,609	33
TOTAL INTEREST CHARGES		984,516	1,040,302	1,063,929	1,110,749	978,879	34
EXTRAORDINARY ITEMS							
EXTRAORDINARY INCOME		-	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS		-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS		-	-	-	-	-	37
NET EXTRAORDINARY ITEMS		-	-	-	-	-	38
NET INCOME	$	1,403,309 $	1,746,543 $	1,734,633 $	1,118,043 $	736,004	39
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$	13,074,548 $	11,328,005 $	9,593,372 $	8,475,329 $	7,739,325	40
BALANCE TRANSFERRED FROM INCOME		1,403,309	1,746,543	1,734,633	1,118,043	736,004	41
APPROPRIATIONS OF RETAINED EARNINGS		-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK		-	-	-	-	-	43
-COMMON STOCK		-	-	-	-	-	44
ADJUSTMENTS TO RETAINED EARNINGS		-	-	-	-	-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR		14,477,857	13,074,548	11,328,005	9,593,372	8,475,329	46
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$	14,477,857 $	13,074,548 $	11,328,005 $	9,593,372 $	8,475,329	48

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981	LINE NO
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	38.9	37.6	36.8	41.4	43.8	49
DEPRECIATION AND AMORTIZATION	4.2	3.8	3.7	3.9	4.3	50
INCOME TAXES	9.1	10.4	10.8	7.6	5.3	51
OTHER TAXES	26.7	24.4	24.2	24.1	27.1	52
TOTAL OPERATING EXPENSES	79.0	76.4	75.6	77.1	80.7	53
OPERATING INCOME	20.9	23.5	24.3	22.8	19.2	54
DEPRECIATION + AMORT % OF WATER PLANT	1.6	1.6	1.6	1.5	1.5	55
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	8.7	8.9	9.3	11.4	11.1	56
PRETAX INTEREST COVERAGE	3.4	3.8	3.8	2.7	2.2	57
NET INCOME - % OF OPERATING REVENUES	12.4	14.9	15.1	11.4	8.3	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	59
TIMES EARNED	-	-	-	-	-	60
DIVIDEND APPROPRIATIONS,COMMON STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	61
PERCENT OF EARNINGS AVAILABLE FOR-COMMON	-	-	-	-	-	62
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	9.1	8.2	9.1	6.5	4.5	63
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	-	-	-	64

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NEW ROCHELLE WATER COMPANY, THE

LINE NO.	ITEM	1985	1984	1983	1982	981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 1,403,309	$ 1,748,543	$ 1,734,633	$ 1,118,043	$ 736,004
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	693,071	617,211	674,108	574,723	612,116
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	274,732	290,197	145,471	305,050	70,451
4	INTEREST CAPITALIZED	-		51-	1,090	1,727
5	OTHER (NET)	-				
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	2,371,112	2,655,951	2,554,159	1,996,726	1,416,844
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	
9	TOTAL FUNDS FROM INTERNAL SOURCES	2,371,112	2,655,951	2,554,159	1,996,726	1,416,844
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	-	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	2,371,112	2,655,951	2,554,159	1,996,726	1,416,844
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-		-	-	
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	173,840	480,944	81,404	-	123,028
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	173,840	480,944	81,404	-	123,028
20	OTHER SOURCES (NET)	5,985-	-	-	6,637	8,677
21						
22						
23	TOTAL FUNDS PROVIDED	$ 2,538,967	$ 3,136,895	$ 2,635,563	$ 2,003,363	$ 1,548,549
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 1,704,879	$ 1,465,158	$ 1,202,509	$ 1,111,982	$ 1,227,407
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	1,704,879	1,465,158	1,202,509	1,111,982	1,227,407
28	LESS INTEREST CAPITALIZED	-	-	51	1,090	1,727
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,704,879	1,465,158	1,202,458	1,110,892	1,225,680
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	-	-		
31	PREFERRED STOCK	-	-	-		
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	375	249,804	75
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	-	-	375	249,804	75
37	OTHER USES (NET)	834,088	1,671,737	1,432,730	642,687	322,794
38						
39						
40	TOTAL FUNDS APPLIED	$ 2,538,967	$ 3,136,895	$ 2,635,563	$ 2,003,363	$ 1,548,549

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

NEW ROCHELLE WATER COMPANY, THE

ITEM	1985	1984	1983	1982	1981	LINE NO
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 10,037,983	$ 10,509,491	$ 10,387,393	$ 8,752,697	$ 7,892,559	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	2
SALES TO OTHER WATER COMPANIES	116,094	106,932	81,993	78,796	84,440	3
OTHER SALES OF WATER	1,102,047	1,041,078	938,759	901,571	806,265	4
TOTAL REVENUES FROM SALES OF WATER	11,256,124	11,657,501	11,408,145	9,733,064	8,783,264	5
OTHER WATER OPERATING REVENUES	11,437	9,565	7,937	9,981	7,666	6
TOTAL WATER OPERATING REVENUES	$ 11,267,561	$ 11,667,066	$ 11,416,082	$ 9,743,045	$ 8,790,930	7
WATER SALES(T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	5,267,319	5,923,095	5,994,587	5,619,057	5,579,337	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	9
SALES TO OTHER WATER COMPANIES	106,869	104,490	81,429	92,071	95,775	10
OTHER SALES OF WATER	-	-	-	-	-	11
TOTAL SALES OF WATER	5,374,188	6,027,585	6,076,016	5,711,128	5,675,112	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	28,690	28,422	28,595	28,485	28,394	13
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	14
SALES TO OTHER WATER COMPANIES	2	1	1	1	1	15
OTHER SALES OF WATER	391	314	314	314	312	16
TOTAL CUSTOMERS	29,083	28,737	28,910	28,800	28,707	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 349.87	$ 369.76	$ 363.25	$ 307.27	$ 277.96	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	183.59	208.39	209.63	197.26	196.49	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	190.57	177.43	173.28	155.77	141.46	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-	22
AVG. REVENUE PER T GALLONS SOLD(CENTS)	-	-	-	-	-	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 779,657	$ 897,564	$ 894,291	$ 846,841	$ 915,627	24
POWER AND PUMPING EXPENSES	860,433	936,932	915,356	813,394	760,536	25
PURIFICATION EXPENSES	122,165	126,192	129,186	126,755	108,979	26
TRANSMISSION AND DISTRIBUTION EXPENSES	900,710	832,026	762,716	712,035	646,900	27
CUSTOMERS ACCT G+COLLECTING EXPENSES	499,078	489,654	476,844	485,895	485,719	28
ADMINISTRATIVE+GENERAL EXPENSES	1,222,989	1,111,196	1,029,477	1,050,693	935,624	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 4,385,032	$ 4,393,564	$ 4,207,870	$ 4,035,613	$ 3,853,985	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 29,002,146	$ 27,259,545	$ 26,140,351	$ 25,100,639	$ 24,143,147	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	17,443	253,597	2,448	7,649-	5,234	33
PLANT HELD FOR FUTURE USE	-	-	-	-	-	34
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	90,846-	90,846-	90,846-	85,596-	85,596-	37
TOTAL WATER UTILITY PLANT	28,928,743	27,422,296	26,051,953	25,007,394	24,062,785	38
ACCUM PROV FOR DEPR., AMORT., DEPLETION	6,617,188	6,344,504	5,992,404	5,695,451	5,503,278	39
NET WATER UTILITY PLANT	$ 22,311,555	$ 21,077,792	$ 20,059,549	$ 19,311,943	$ 18,559,507	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 27,259,545	$ 26,140,351	$ 25,100,639	$ 24,143,147	$ 23,091,344	41
ADDITIONS	2,179,146	1,249,993	1,264,195	1,423,216	1,271,225	42
RETIREMENTS	198,432	94,815	160,838	173,191	169,158	43
TRANSFERS AND ADJUSTMENTS	238,113-	35,984-	33,645-	297,533-	50,264-	44
PLANT IN SERVICE END OF YEAR	$ 29,002,146	$ 27,259,545	$ 26,140,351	$ 25,100,639	$ 24,143,147	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

NEW ROCHELLE WATER COMPANY, THE

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 11,267,561	$ 11,667,086	$ 11,416,082	$ 9,743,045	$ 8,790,930
2	SALES (THOUSAND GALLONS)	5,374,188	6,027,586	6,076,016	5,711,128	5,675,112
	DOLLAR AMOUNTS					
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 1,411,695	$ 1,577,997	$ 1,611,942	$ 1,495,228	$ 1,501,642
4	WAGES AND BENEFITS	1,741,927	1,716,672	1,580,896	250,145	1,368,055
5	OTHER OPERATION AND MAINTENANCE EXPENSES	1,231,410	1,098,895	1,015,037	2,290,240	984,288
6	DEPRECIATION AND AMORTIZATION EXPENSES	477,101	448,253	428,677	383,703	383,207
7	INCOME TAXES - OPERATING	1,026,427	1,217,022	1,233,672	744,267	470,694
8	OTHER TAXES - OPERATING	3,018,001	2,855,268	2,762,862	2,348,905	2,387,504
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	984,516	1,040,302	1,063,929	1,110,749	978,879
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	1,376,483	1,712,689	1,719,072	1,119,808	716,661
12	TOTAL	$ 11,267,561	$ 11,667,086	$ 11,416,082	$ 9,743,045	$ 8,790,930
	PERCENT OF REVENUES					
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	12.5	13.5	14.1	15.3	17.1
14	WAGES AND BENEFITS	15.5	14.7	13.8	2.6	15.6
15	OTHER OPERATION AND MAINTENANCE EXPENSES	10.9	9.4	8.9	23.5	11.2
16	DEPRECIATION AND AMORTIZATION EXPENSES	4.2	3.8	3.8	3.9	4.4
17	INCOME TAXES - OPERATING	9.1	10.4	10.8	7.6	5.4
18	OTHER TAXES - OPERATING	26.8	24.5	24.2	24.1	27.2
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8.7	8.9	9.3	11.4	11.1
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	12.2	14.7	15.1	11.5	8.2
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	CENTS PER THOUSAND GALLONS SOLD					
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	26.27	26.18	26.53	26.18	26.46
24	WAGES AND BENEFITS	32.41	28.48	26.02	4.38	24.11
25	OTHER OPERATION AND MAINTENANCE EXPENSES	22.91	18.23	16.71	40.10	17.34
26	DEPRECIATION AND AMORTIZATION EXPENSES	8.88	7.44	7.06	6.72	6.75
27	INCOME TAXES - OPERATING	19.10	20.19	20.30	13.03	8.29
28	OTHER TAXES - OPERATING	56.16	47.37	45.47	41.13	42.07
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	18.32	17.26	17.51	19.45	17.25
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	25.61	28.41	28.29	19.61	12.63
32	TOTAL	209.66	193.56	187.89	170.60	154.90

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

NEW YORK - AMERICAN WATER COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 10,032,169	$ 9,692,156	$ 9,237,469	$ 9,020,708	$ 8,462,765
2	ACCUMULATED PROVISION FOR DEPRE.+AMORT.	2,936,541	2,812,423	2,707,619	2,591,558	2,493,384
3	NET WATER PLANT	7,095,628	6,879,733	6,529,850	6,429,150	5,969,381
4	OTHER PHYSICAL PROPERTY	239,001	239,001	239,001	239,001	239,001
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	239,001	239,001	239,001	239,001	239,001
8	CASH AND WORKING FUNDS	135,591	212,173-	245,841-	200	177,367
9	SPECIAL DEPOSITS	-	-	-	-	-
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	426,698	383,644	478,910	425,383	335,239
12	RECEIVABLES FROM ASSOCIATED COMPANIES	6,732	6,411	5,929	7,451	-
13	MATERIALS AND SUPPLIES	17,691	12,396	28,496	19,567	17,866
14	PREPAYMENTS	158,218	157,147	129,263	120,697	103,848
15	OTHER CURRENT AND ACCRUED ASSETS	689,775	641,607	586,994	450,085	434,079
16	TOTAL CURRENT AND ACCRUED ASSETS	1,434,705	989,032	983,751	1,023,383	1,068,399
17	UNAMORTIZED DEBT EXPENSE	71,369	22,630	26,116	29,926	34,142
18	EXTRAORDINARY-PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
20	CLEARING ACCOUNTS	-	-	-	-	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	179,371	370,710	307,882	635,776	300,963
23	TOTAL DEFERRED DEBITS	250,740	393,340	333,998	665,702	335,105
24	TOTAL ASSETS AND OTHER DEBITS	$ 9,020,074	$ 8,501,106	$ 8,086,600	$ 8,357,236	$ 7,611,886
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 1,685,000	$ 1,685,000	$ 1,685,000	$ 1,685,000	$ 1,685,000
26	PREFERRED CAPITAL STOCK	1,000,000	1,000,000	1,000,000	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	9,774-	10,558-	11,141-	-	-
33	RETAINED EARNINGS	801,230	768,482	820,763	419,621	601,263
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	3,476,456	3,442,926	3,494,622	2,104,621	2,286,263
36	BONDS (LESS BONDS REACQUIRED)	3,772,000	1,335,000	1,398,000	1,461,000	2,766,000
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	-	-	-	-	-
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	3,772,000	1,335,000	1,398,000	1,461,000	2,766,000
41	NOTES AND ACCOUNTS PAYABLE	132,381	2,159,312	1,638,343	2,788,289	1,765,653
42	PAYABLES TO ASSOCIATED COMPANIES	123,381	93,519	108,206	84,554	87,397
43	CUSTOMERS' DEPOSITS	-	-	-	-	-
44	TAXES ACCRUED	42,337	114,232	79,815	122,928	141,686-
45	OTHER CURRENT AND ACCRUED LIABILITIES	193,478	134,549	120,298	421,332	143,850
46	TOTAL CURRENT AND ACCRUED LIABILITIES	491,555	2,501,612	1,966,462	3,415,103	1,855,214
47	CUSTOMER ADVANCES FOR CONSTRUCTION	881,716	798,779	866,232	946,177	529,009
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	128,232	98,540	64,255	-	36,274
49	OTHER DEFERRED CREDITS	7,361	7,411	24,250	35,689	-
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORTIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	196,633	155,522	-	-	1,200
52	OTHER	66,121	159,316	-	-	137,926
53	TOTAL DEFERRED CREDITS	1,280,063	1,221,568	954,737	981,866	704,409
54	OPERATING RESERVES	-	-	272,779	394,646	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 9,020,074	$ 8,501,106	$ 8,086,600	$ 8,357,236	$ 7,611,886

SELECTED BALANCE SHEET RELATIONSHIPS

LINE NO.	ITEM	1985	1984	1983	1982	1981
56	WATER PLANT PER DOLLAR OF REVENUE	1.75	1.78	1.82	2.17	2.41
57	CURRENT ASSETS / CURRENT LIABILITIES	2.92	0.40	0.50	0.30	0.58
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	52.0	27.9	28.5	40.9	54.7
59	PREFERRED STOCK	13.7	20.9	20.4	-	-
60	COMMON STOCK + OTHER PAID-IN CAPITAL	23.1	35.0	34.2	47.2	33.3
61	RETAINED EARNINGS	11.0	16.0	16.7	11.7	11.9
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	37.5	13.7	15.1	16.1	32.6
63	PERCENT OF NET WATER PLANT	53.1	19.4	21.4	22.7	46.3
64	ACCUMULATED PROVISION FOR DEPRE.+AMORT. PERCENT OF WATER PLANT	29.2	29.0	29.3	28.7	29.4

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

NEW YORK - AMERICAN WATER COMPANY, INC.

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT

ITEM	1985	1984	1983	1982	1981	LINE NO.
WATER OPERATING INCOME						
OPERATING REVENUES	$ 5,636,139	$ 5,312,464	$ 5,016,094	$ 4,034,813	$ 2,983,665	1
OPERATION AND MAINTENANCE EXPENSES	2,913,225	2,779,519	2,634,506	2,401,958	2,154,477	2
DEPRECIATION	153,555	144,627	137,264	132,020	128,949	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	1,363,262	1,250,697	1,201,623	1,014,310	922,327	5
INCOME TAXES	265,886	268,783	13,111	205,994	368,941-	6
GAINS FROM DISP. OF UTILITY PLANT						7
LOSSES FROM DISP. OF UTILITY PLANT						8
TOTAL OPERATING EXPENSES	4,695,928	4,443,626	3,986,504	3,754,282	2,836,812	9
NET OPERATING REVENUES	940,211	868,838	1,029,590	280,531	146,853	10
INCOME FROM PLANT LEASED TO OTHERS	-	-	-	-	-	11
TOTAL WATER OPERATING INCOME	940,211	868,838	1,029,590	280,531	146,853	12
OTHER INCOME						
INCOME FROM MDSE., JOBBING-CONTRACT WORK	322	488	1,628	789	980	13
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	57,900	14
NONOPERATING RENTAL INCOME	54,544	51,887	49,834	66,500	-	15
INTEREST AND DIVIDEND INCOME	19,231	-	500	-		16
ALLOWANCE FOR CONSTRUCTION FUNDS	-	1,416	-	-		17
MISCELLANEOUS NONOPERATING INCOME	747	37-	108	-		18
GAIN ON DISPOSITION OF PROPERTY	-	-	-			19
TOTAL OTHER INCOME	74,844	53,754	52,070	67,289	58,880	20
TOTAL INCOME	1,015,055	922,592	1,081,660	347,820	205,733	21
OTHER INCOME DEDUCTIONS						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION	6,147	6,153	5,749	5,385	-	23
MISCELLANEOUS DEDUCTIONS	575	500	300	-	1,841	24
TAXES OTHER THAN INC TAXES-NONOPERATING	-	-	19,132	19,979	18,110	25
INCOME TAXES-NONOPERATING	33,994	24,252	4,485	20,474	19,489	26
TOTAL OTHER INCOME DEDUCTIONS	40,716	30,905	29,666	45,838	39,440	27
INCOME BEFORE INTEREST CHARGES	974,339	891,687	1,051,994	301,982	166,293	28
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	463,256	124,208	229,765	146,190	206,689	29
AMORT. OF DEBT DISCOUNT EXPENSE	13,993	3,486	3,810	4,216	5,449	30
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	32
OTHER INTEREST CHARGES	14,642	226,552	205,456	390,610	253,285	33
TOTAL INTEREST CHARGES	491,891	354,246	439,031	541,016	465,423	34
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-		-		35
EXTRAORDINARY DEDUCTIONS	-	-				36
INCOME TAXES-EXTRAORDINARY ITEMS	-	-		-		37
NET EXTRAORDINARY ITEMS	-	-				38
NET INCOME	$ 482,448	$ 537,441	$ 612,963	$ 239,034-	$ 299,130-	39
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR.	$ 768,482	$ 820,763	$ 419,623	$ 601,264	$ 900,391	40
BALANCE TRANSFERRED FROM INCOME	482,448	537,442	612,963	239,034-	299,130-	41
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-		-	42
DIVIDENDS DECLARED-PREFERRED STOCK	125,000	125,000	21,875		-	43
-COMMON STOCK	324,700	464,723	20,894		-	44
ADJUSTMENTS TO RETAINED EARNINGS	-	-	169,054-	57,393		45
UNAPPROPRIATED RETAINED EARNINGS END OF YR.	801,230	768,482	820,763	419,623	601,261	46
APPROPRIATED RETAINED EARNINGS	-	-				47
TOTAL RETAINED EARNINGS, END OF YEAR	$ 801,230	$ 768,482	$ 820,763	$ 419,623	$ 601,261	48

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981	LINE NO.
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	51.6	52.3	52.5	59.5	72.2	49
DEPRECIATION AND AMORTIZATION	2.7	2.7	2.7	3.2	4.3	50
INCOME TAXES	4.7	5.0	.2	5.1	12.3-	51
OTHER TAXES	24.1	23.5	23.9	25.1	30.9	52
TOTAL OPERATING EXPENSES	83.3	83.6	79.4	93.0	95.0	53
OPERATING INCOME	16.6	16.3	20.5	6.9	4.9	54
DEPRECIATION + AMORT. % OF WATER PLANT	1.9	1.4	1.4	1.4	1.5	55
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	8.7	6.7	8.8	13.4	15.6	56
PRETAX INTEREST COVERAGE	2.6	3.3	2.4	.3	.3-	57
NET INCOME - % OF OPERATING REVENUES	8.5	10.1	12.2	5.9-	9.9-	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	2.2	2.3	.4		-	59
TIMES EARNED	3.8	4.3	28.0		-	60
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	5.7	8.7	.4			61
PERCENT OF EARNINGS AVAILABLE FOR COMMON	90.8	112.6	3.5			62
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	14.5	16.7	26.1		-	63
DIVIDEND APPROPRIATIONS, COMMON STOCK	13.2	18.8	.9			64

308C

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NEW YORK - AMERICAN WATER COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 482,448	$ 537,447	$ 812,963	$ 239,034-	$ 299,123-
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	398,205	324,980	349,517	354,265	253,211
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	3,392-	77,344	50,872	205,953	41,465
4	INTEREST CAPITALIZED	-	1,416-	-	-	-
5	OTHER (NET)	2	60	7,186	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	877,263	948,410	1,220,538	321,184	4,447-
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	369,052-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	877,263	948,410	851,486	321,184	4,447-
10	LESS DIVIDENDS: PREFERRED	125,000	125,000	42,769	-	-
11	COMMON	324,700	464,723	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	427,563	358,687	808,717	321,184	4,447-
	EXTERNAL SOURCES					
13	LONG TERM DEBT	2,500,000	-	-	-	-
14	PREFERRED STOCK	-	-	1,000,000	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	885,000	700,000
17	OTHER (NET)	60,264	490,000	-	417,168	4,458
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	2,560,264	490,000	1,000,000	1,302,168	704,458
20	OTHER SOURCES (NET)	-	39,871	4,363	-	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 2,987,827	$ 888,558	$ 1,813,080	$ 1,623,352	$ 700,011
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 373,141	$ 493,178	$ 248,141	$ 1,176,696	$ 148,241
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	373,141	493,178	248,141	1,176,696	148,241
28	LESS INTEREST CAPITALIZED	-	1,416	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	373,141	491,762	248,141	1,176,696	148,241
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	63,000	63,000	63,000	63,000	119,500
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	2,048,000	-	1,077,000	-	-
34	OTHER (NET)	75,000	66,453	79,386	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	2,186,000	129,453	1,219,386	63,000	119,500
37	OTHER USES (NET)	428,686	267,343	345,553	383,656	432,270
38						
39						
40	TOTAL FUNDS APPLIED	$ 2,987,827	$ 888,558	$ 1,813,080	$ 1,623,352	$ 700,011

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

NEW YORK - AMERICAN WATER COMPANY, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO.
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 4,880,699	$ 4,666,142	$ 4,383,179	$ 3,507,140	$ 2,599,260	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	2
SALES TO OTHER WATER COMPANIES	-	-	-	4,888	-	3
OTHER SALES OF WATER	753,012	641,949	625,980	522,229	384,380	4
TOTAL REVENUES FROM SALES OF WATER	5,633,711	5,308,091	5,009,159	4,034,257	2,983,640	5
OTHER WATER OPERATING REVENUES	2,428	4,373	6,935	556	25	6
TOTAL WATER OPERATING REVENUES	$ 5,636,139	$ 5,312,464	$ 5,016,094	$ 4,034,813	$ 2,983,665	7
WATER SALES(T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	1,504,829	1,542,077	1,551,771	1,385,167	1,364,552	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	9
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	10
OTHER SALES OF WATER	104,604	91,753	101,202	96,676	71,727	11
TOTAL SALES OF WATER	1,609,433	1,633,830	1,652,973	1,481,843	1,436,279	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	10,567	10,444	10,274	10,274	10,322	13
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	14
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	15
OTHER SALES OF WATER	274	275	245	245	236	16
TOTAL CUSTOMERS	10,841	10,719	10,519	10,519	10,558	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 461.88	$ 446.77	$ 426.62	$ 341.36	$ 251.81	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	142.40	147.65	151.04	134.82	132.19	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	324.34	302.59	282.46	253.19	190.48	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-	22
AVG. REVENUE PER T GALLONS SOLD(CENTS)	-	-	-	-	-	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 1,357,428	$ 1,283,804	$ 1,228,348	$ 1,043,763	$ 387,664	24
POWER AND PUMPING EXPENSES	18,909	13,111	22,281	5,508	4,305	25
PURIFICATION EXPENSES	11,751	4,305	2,602	3,362	3,141	26
TRANSMISSION AND DISTRIBUTION EXPENSES	527,777	637,758	509,971	524,328	451,336	27
CUSTOMERS ACCT & COLLECTING EXPENSES	219,548	204,491	223,787	198,115	186,364	28
ADMINISTRATIVE-GENERAL EXPENSES	778,314	636,212	647,561	617,212	516,778	29
TOTAL WATER OPERATION-MAINT. EXPENSES	$ 2,913,726	$ 2,779,519	$ 2,634,506	$ 2,401,968	$ 1,554,417	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 9,919,530	$ 9,580,544	$ 9,110,143	$ 8,870,753	$ 8,366,710	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	80,450	34,365	84,409	121,873	47,458	33
PLANT HELD FOR FUTURE USE	-	-	-	-	-	34
PLANT ACQUISITION ADJUSTMENTS	232,189	277,247	242,918	248,282	53,647	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND - LAND RIGHTS	-	-	-	-	-	37
TOTAL WATER UTILITY PLANT	10,232,169	9,892,156	9,437,470	9,240,908	8,467,815	38
ACCUM PROV FOR DEPR. AMORT., DEPLETION	2,936,541	3,012,423	2,907,619	2,811,168	2,483,984	39
NET WATER UTILITY PLANT	$ 7,295,628	$ 6,879,733	$ 6,529,851	$ 6,429,740	$ 5,983,831	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 9,580,544	$ 9,110,143	$ 8,870,753	$ 8,366,710	$ 8,258,758	41
ADDITIONS	366,751	503,526	265,705	537,334	117,289	42
RETIREMENTS	27,765	33,125	26,315	33,291	9,337	43
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	44
PLANT IN SERVICE END OF YEAR	$ 9,919,530	$ 9,580,544	$ 9,110,143	$ 8,870,753	$ 8,366,710	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

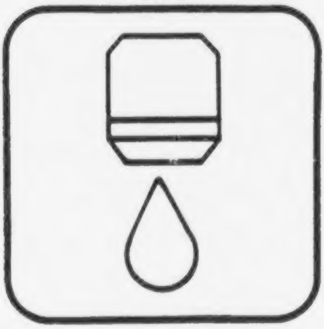
DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

NEW YORK - AMERICAN WATER COMPANY, INC

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 5,636,139	$ 5,317,464	$ 5,016,094	$ 4,034,813	$ 2,983,665
2	SALES (THOUSAND GALLONS)	1,609,433	1,633,830	1,652,973	1,481,843	1,435,279
				DOLLAR AMOUNTS		
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 1,373,880	$ 1,295,329	$ 1,248,453	$ 1,056,519	$ 909,461
4	WAGES AND BENEFITS	850,412	767,907	754,507	580,966	611,179
5	OTHER OPERATION AND MAINTENANCE EXPENSES	688,933	716,283	631,546	764,473	632,637
6	DEPRECIATION AND AMORTIZATION EXPENSES	153,555	144,627	137,054	132,020	128,349
7	INCOME TAXES - OPERATING	265,686	268,783	13,121	205,994	358,541
8	OTHER TAXES - OPERATING	1,363,282	1,250,937	1,201,823	1,014,310	922,327
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	491,891	354,344	439,331	541,016	466,423
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	125,000	124,796	21,875	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	323,320	389,398	568,684	260,485-	318,570-
12	TOTAL	$ 5,636,139	$ 5,317,464	$ 5,016,094	$ 4,034,813	$ 2,983,665
				PERCENT OF REVENUES		
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICAL FOR TREATMENT	24.4	24.4	24.9	26.2	30.5
14	WAGES AND BENEFITS	15.1	14.4	15.0	14.4	20.5
15	OTHER OPERATION AND MAINTENANCE EXPENSES	12.2	13.5	12.6	18.9	21.2
16	DEPRECIATION AND AMORTIZATION EXPENSES	2.7	2.7	2.7	3.3	4.3
17	INCOME TAXES - OPERATING	4.7	5.1	0.3	5.1	12.0
18	OTHER TAXES - OPERATING	24.2	23.5	24.0	25.1	30.9
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8.7	6.7	8.8	13.4	15.6
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	2.2	2.3	0.4	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	5.7	7.3	11.3	6.4-	10.7-
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER THOUSAND GALLONS SOLD		
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	85.36	79.28	75.53	71.30	63.36
24	WAGES AND BENEFITS	52.84	47.00	45.65	39.21	42.58
25	OTHER OPERATION AND MAINTENANCE EXPENSES	42.81	43.84	38.21	51.59	44.16
26	DEPRECIATION AND AMORTIZATION EXPENSES	9.54	8.85	8.29	8.91	8.94
27	INCOME TAXES - OPERATING	16.52	16.45	.79	13.90	24.98
28	OTHER TAXES - OPERATING	84.70	76.55	72.71	68.45	64.26
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	30.56	21.67	26.58	36.51	32.43
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	7.77	7.64	1.32		
31	EARNINGS AVAILABLE FOR COMMON EQUITY	20.09	23.87	34.40	17.57-	22.19-
32	TOTAL	350.19	325.46	303.46	272.28	207.64

WATER



MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

NEW YORK WATER SERVICE CORP

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 25,774,484	$ 24,817,632	$ 22,673,448	$ 21,840,920	$ 20,141,199
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	6,608,207	6,319,968	6,047,524	5,764,439	5,400,258
3	NET WATER PLANT	19,166,277	18,497,664	16,625,924	16,076,481	14,740,941
4	OTHER PHYSICAL PROPERTY	3,035	3,075	3,115	3,155	2,822
5	INVESTMENTS IN ASSOCIATED COMPANIES	21,003,597	19,753,202	18,728,237	18,989,118	18,521,103
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	21,006,632	19,756,277	18,731,352	18,992,273	18,523,925
8	CASH AND WORKING FUNDS	207,168	433,800	329,775	315,526	412,928
9	SPECIAL DEPOSITS	250	250	47,179	92,983	107,692
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	1,322,773	1,263,846	1,352,265	1,078,356	770,177
12	RECEIVABLES FROM ASSOCIATED COMPANIES	2,569,425	2,504,040	1,502,340	1,284,939	633,429
13	MATERIALS AND SUPPLIES	228,270	211,499	209,887	154,541	145,325
14	PREPAYMENTS	208,531	64,397	20,886	82,302	57,401
15	OTHER CURRENT AND ACCRUED ASSETS	177,435	33,260	1,867	157,582	191,610
16	TOTAL CURRENT AND ACCRUED ASSETS	4,713,852	4,511,092	3,464,199	3,166,231	2,318,562
17	UNAMORTIZED DEBT EXPENSE	-	-	49,290	105,476	127,056
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-		-	-
20	CLEARING ACCOUNTS	-	-	182-	-	
21	ACCUMULATED DEFERRED INCOME TAXES	-	-		-	-
22	OTHER DEFERRED DEBITS	197,789	80,406	225,625	94,058	53,627
23	TOTAL DEFERRED DEBITS	197,789	80,406	274,733	199,534	180,683
24	TOTAL ASSETS AND OTHER DEBITS	$ 45,084,550	$ 42,845,439	$ 39,096,208	$ 38,434,519	$ 35,764,111
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 3,674,470	$ 3,674,470	$ 3,674,470	$ 3,674,470	$ 3,674,470
26	PREFERRED CAPITAL STOCK	-	-			
27	STOCK LIABILITY FOR CONVERSION	-	-	-		-
28	PREMIUM ON CAPITAL STOCK	2,012,224	2,012,224	2,012,224	2,012,224	2,012,224
29	CAPITAL STOCK SUBSCRIBED	-	-			
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-		-
31	OTHER PAID-IN CAPITAL	27,367-	27,367-	27,367-	27,367-	27,367-
32	CAPITAL STOCK EXPENSE	-	-		-	
33	RETAINED EARNINGS	26,549,543	24,697,663	21,857,124	19,574,202	18,040,359
34	REACQUIRED CAPITAL STOCK	-	-		-	-
35	TOTAL PROPRIETARY CAPITAL	32,208,870	30,356,990	27,516,451	25,233,529	23,699,686
36	BONDS (LESS BONDS REACQUIRED)	-	5,050,000	5,100,000	5,300,000	5,500,000
37	ADVANCES FROM ASSOCIATED COMPANIES	5,050,000	-	-	-	-
38	OTHER LONG TERM DEBT	-		-	-	-
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	5,050,000	5,050,000	5,100,000	5,300,000	5,500,000
41	NOTES AND ACCOUNTS PAYABLE	170,099	100,331	184,186	424,071	3,209
42	PAYABLES TO ASSOCIATED COMPANIES	4,059,199	4,009,139	2,959,199	4,427,132	2,509,754
43	CUSTOMERS' DEPOSITS	346,748	347,768	338,919	339,352	344,917
44	TAXES ACCRUED	1,685,826	1,117,174	1,117,681	1,164,603	1,103,669
45	OTHER CURRENT AND ACCRUED LIABILITIES	650,751	1,288,258	1,268,713	995,084	680,798
46	TOTAL CURRENT AND ACCRUED LIABILITIES	6,912,623	6,862,730	5,868,698	7,350,742	4,642,347
47	CUSTOMER ADVANCES FOR CONSTRUCTION	368,961	274,803	249,644	323,811	333,929
48	ACCUM DEFERRED INVESTMENT TAX CREDITS	-	-	-	-	-
49	OTHER DEFERRED CREDITS	381,159	175,394	166,575	142,990	121,340
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-		-
51	LIBERALIZED DEPRECIATION	-	-			-
52	OTHER	30,215	-	97,416		-
53	TOTAL DEFERRED CREDITS	780,335	450,197	513,635	466,801	455,269
54	OPERATING RESERVES	132,722	125,522	97,424	83,447	1,466,809
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 45,084,550	$ 42,845,439	$ 39,096,208	$ 38,434,519	$ 35,764,111

SELECTED BALANCE SHEET RELATIONSHIPS

LINE NO	ITEM	1985	1984	1983	1982	1981
56	WATER PLANT PER DOLLAR OF REVENUE	2.29	2.23	2.20	2.21	2.40
57	CURRENT ASSETS / CURRENT LIABILITIES	0.68	0.66	0.59	0.43	0.50
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	13.5	14.2	15.6	17.3	18.8
59	PREFERRED STOCK	-	-	-	-	-
60	COMMON STOCK + OTHER PAID-IN CAPITAL	15.1	15.9	17.3	18.5	19.3
61	RETAINED EARNINGS	71.2	69.7	67.0	64.1	61.7
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	19.5	20.3	22.4	24.2	27.3
63	PERCENT OF NET WATER PLANT	26.3	27.3	30.6	32.9	37.3
64	ACCUMULATED PROVISION FOR DEPRE.+AMORT PERCENT OF WATER PLANT	25.6	25.4	26.6	26.3	26.8

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

NEW YORK WATER SERVICE CORP

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT						
WATER OPERATING INCOME						
OPERATING REVENUES	$ 11,036,203	$ 10,655,989	$ 10,114,104	$ 9,515,623	$ 8,300,410	1
OPERATION AND MAINTENANCE EXPENSES	5,119,747	4,651,193	4,596,168	4,287,868	3,846,165	2
DEPRECIATION	496,907	441,455	391,353	366,021	350,762	3
AMORTIZATION		-				4
TAXES OTHER THAN INCOME TAXES	3,119,985	3,152,149	2,858,303	2,551,033	2,246,082	5
INCOME TAXES		-	-	-	-	6
GAINS FROM DISP. OF UTILITY PLANT						7
LOSSES FROM DISP. OF UTILITY PLANT						8
TOTAL OPERATING EXPENSES	8,736,639	8,244,797	7,845,824	7,204,922	6,443,009	9
NET OPERATING REVENUES	2,299,564	2,411,192	2,268,280	2,310,701	1,857,401	10
INCOME FROM PLANT LEASED TO OTHERS	-	-	-	-	-	11
TOTAL WATER OPERATING INCOME	2,299,564	2,411,192	2,268,280	2,310,701	1,857,401	12
OTHER INCOME						
INCOME FROM MDSE, JOBBING-CONTRACT WORK	18,780-	30,064-	15,720-	4,569-	4,343-	13
INCOME FROM NONUTILITY OPERATIONS	810,804-	678,783-	670,853-	1,434,154-	410,720-	14
NONOPERATING RENTAL INCOME	-	-	-			15
INTEREST AND DIVIDEND INCOME	211,506-	431,987		660	30,278	16
ALLOWANCE FOR CONSTRUCTION FUNDS	84,458	-	-		-	17
MISCELLANEOUS NONOPERATING INCOME	1,459,109	1,449,964	1,458,807	1,555,970	1,787,488	18
GAIN ON DISPOSITION OF PROPERTY	190	253	1,616	125	-	19
TOTAL OTHER INCOME	502,667	1,173,357	773,850	58,032	1,402,703	20
TOTAL INCOME	2,802,231	3,584,549	3,042,130	2,368,733	3,260,104	21
OTHER INCOME DEDUCTIONS						
LOSS ON DISPOSITION OF PROPERTY	-	-		-		22
MISCELLANEOUS AMORTIZATION	4,392	4,392	4,392	4,392		23
MISCELLANEOUS DEDUCTIONS	-	-	-	26,275	-	24
TAXES OTHER THAN INC TAXES-NONOPERATING	-	-	-	-	-	25
INCOME TAXES-NONOPERATING	160,644	-	-		-	26
TOTAL OTHER INCOME DEDUCTIONS	165,036	4,392	4,392	30,667	-	27
INCOME BEFORE INTEREST CHARGES	2,637,195	3,580,157	3,037,738	2,338,066	3,260,104	28
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	-	226,880	640,981	667,557	692,363	29
AMORT OF DEBT DISCOUNT EXPENSE	21,557	49,290	68,942	57,600	56,472	30
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES	727,512	420,561	-	-	-	32
OTHER INTEREST CHARGES	36,246	42,887	44,893	79,066	68,686	33
TOTAL INTEREST CHARGES	785,315	739,618	754,816	804,223	817,521	34
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-		35
EXTRAORDINARY DEDUCTIONS	-	-	-	-		36
INCOME TAXES EXTRAORDINARY ITEMS			-	-		37
NET EXTRAORDINARY ITEMS	-		-	-	-	38
NET INCOME	$ 1,851,880	$ 2,840,539	$ 2,282,922	$ 1,533,843	$ 2,442,583	39
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 24,697,663	$ 21,857,124	$ 19,574,202	$ 18,040,359	$ 15,197,776	40
BALANCE TRANSFERRED FROM INCOME	1,851,880	2,840,539	2,282,322	1,533,843	2,442,583	41
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-		-	42
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-			43
-COMMON STOCK	-	-	-		-	44
ADJUSTMENTS TO RETAINED EARNINGS	-	-			400,000	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR	26,549,543	24,697,663	21,857,124	19,574,202	18,040,359	46
APPROPRIATED RETAINED EARNINGS	-	-	-		-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$ 26,549,543	$ 24,697,663	$ 21,857,124	$ 19,574,202	$ 18,040,359	48
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	46.3	43.6	45.4	45.0	46.3	49
DEPRECIATION AND AMORTIZATION	4.5	4.1	3.8	3.8	4.2	50
INCOME TAXES	-	-	-	-	-	51
OTHER TAXES	28.2	29.5	28.2	26.8	27.0	52
TOTAL OPERATING EXPENSES	79.1	77.3	77.5	75.7	77.6	53
OPERATING INCOME	20.8	22.6	22.4	24.2	22.3	54
DEPRECIATION + AMORT % OF WATER PLANT	1.9	1.7	1.7	1.6	1.7	55
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	7.1	6.9	7.5	8.5	9.8	56
PRETAX INTEREST COVERAGE	3.6	4.8	4.0	2.9	4.0	57
NET INCOME - % OF OPERATING REVENUES	16.7	26.6	22.5	16.1	29.4	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	59
TIMES EARNED	-	-	-	-	-	60
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	61
PERCENT OF EARNINGS AVAILABLE FOR COMMON	-	-	-	-	-	62
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	5.9	9.8	8.6	6.2	10.9	63
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	-	-	-	64

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NEW YORK WATER SERVICE CORP

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 1,851,880	$ 2,840,539	$ 2,282,922	$ 1,548,476	$ 2,442,583
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	505,207	450,814	401,048	375,717	360,457
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	-	-	-	-	
4	INTEREST CAPITALIZED	84,458-		-	-	
5	OTHER (NET)	232,710	37,014	157,721	47,099	442,716
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	2,505,339	3,328,367	2,841,691	1,971,292	3,245,756
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-		-		
9	TOTAL FUNDS FROM INTERNAL SOURCES	2,505,339	3,328,367	2,841,691	1,971,292	3,245,756
10	LESS DIVIDENDS PREFERRED			-		
11	COMMON	-				
12	NET FUNDS FROM INTERNAL SOURCES	2,505,339	3,328,367	2,841,691	1,971,292	3,245,756
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-		-	-	
14	PREFERRED STOCK	-		-	-	
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	
20	OTHER SOURCES (NET)	330,138	228,487	457,861	500,468	30,701
21						
22						
23	TOTAL FUNDS PROVIDED	$ 2,835,477	$ 3,556,854	$ 3,299,552	$ 2,471,760	$ 3,276,457
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 1,399,290	$ 2,331,430	$ 1,094,695	$ 1,708,026	$ 495,052
25	NON-UTILITY PLANT	-	-		374	352
26	OTHER	-	-	-		
27	TOTAL GROSS ADDITIONS	1,399,290	2,331,430	1,094,695	1,708,400	495,404
28	LESS INTEREST CAPITALIZED	84,458	-	-		
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,314,832	2,331,430	1,094,695	1,708,400	495,404
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	50,000	200,000	200,000	200,000
31	PREFERRED STOCK	-	-	-	-	
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	-	50,000	200,000	200,000	200,000
37	OTHER USES (NET)	1,520,645	1,175,424	2,004,857	563,360	2,581,053
38						
39						
40	TOTAL FUNDS APPLIED	$ 2,835,477	$ 3,556,854	$ 3,299,552	$ 2,471,760	$ 3,276,457

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

NEW YORK WATER SERVICE CORP

ITEM		1985	1984	1983	1982	1981	LINE NO.
WATER OPERATING REVENUES							
REVENUES							
METERED SALES TO GENERAL CUSTOMERS	$	10,131,010 $	9,827,736 $	9,277,983 $	8,718,715 $	7,602,207	1
UNMETERED SALES TO GENERAL CUSTOMERS							2
SALES TO OTHER WATER COMPANIES				-			3
OTHER SALES OF WATER		901,698	822,439	832,670	790,924	692,717	4
TOTAL REVENUES FROM SALES OF WATER		11,032,708	10,650,175	10,110,653	9,509,639	8,294,924	5
OTHER WATER OPERATING REVENUES		3,495	5,814	3,451	5,984	5,485	6
TOTAL WATER OPERATING REVENUES	$	11,036,203 $	10,655,989 $	10,114,104 $	9,515,623 $	8,300,409	7
WATER SALES(T GALLONS)							
METERED SALES TO GENERAL CUSTOMERS		4,680,877	4,615,972	4,798,698	4,589,028	5,205,400	8
UNMETERED SALES TO GENERAL CUSTOMERS		-		-	-		9
SALES TO OTHER WATER COMPANIES		-		-	-		10
OTHER SALES OF WATER		-		-	-		11
TOTAL SALES OF WATER		4,680,877	4,615,972	4,798,698	4,589,028	5,205,400	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)							
METERED SALES TO GENERAL CUSTOMERS		43,432	43,225	43,063	43,041	43,081	13
UNMETERED SALES TO GENERAL CUSTOMERS		-					14
SALES TO OTHER WATER COMPANIES		-		-			15
OTHER SALES OF WATER		136	8	135	126	124	16
TOTAL CUSTOMERS		43,568	43,233	43,198	43,167	43,205	17
WATER OPERATING REVENUE RELATIONSHIPS							
METERED GENERAL CUSTOMERS							
AVG. ANNUAL BILL PER CUSTOMER	$	233.26 $	227.36 $	215.45 $	202.56 $	176.46	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)		107.77	106.78	111.43	106.61	120.82	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)		216.43	212.91	193.34	189.99	146.04	20
UNMETERED GENERAL CUSTOMERS							
AVG. ANNUAL BILL PER CUSTOMER			-	-	-	-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)		-	-	-	-	-	22
AVG. REVENUE PER T GALLONS SOLD(CENTS)		-	-	-	-	-	23
WATER OPERATION AND MAINTENANCE EXPENSES							
SOURCE OF SUPPLY EXPENSES	$	30,974 $	25,826 $	17,258 $	11,716 $	10,496	24
POWER AND PUMPING EXPENSES		1,346,131	1,266,600	1,146,972	931,835	921,837	25
PURIFICATION EXPENSES		369,063	297,509	342,970	384,869	346,342	26
TRANSMISSION AND DISTRIBUTION EXPENSES		808,373	607,019	593,414	733,017	597,522	27
CUSTOMERS ACCT'G+COLLECTING EXPENSES		726,344	740,989	636,970	603,476	568,171	28
ADMINISTRATIVE+GENERAL EXPENSES		1,838,862	1,713,250	1,858,584	1,622,955	1,401,797	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$	5,119,747 $	4,651,193 $	4,596,168 $	4,287,868 $	3,846,165	30
WATER UTILITY PLANT							
WATER UTILITY PLANT							
PLANT IN SERVICE	$	25,061,911 $	23,514,245 $	21,682,452 $	20,381,117 $	19,910,140	31
PLANT LEASED TO OTHERS		-	-	-			32
CONSTRUCTION WORK IN PROGRESS		642,291	1,228,714	911,930	1,376,346	143,210	33
PLANT HELD FOR FUTURE USE		-	-	-			34
PLANT ACQUISITION ADJUSTMENTS		70,282	74,673	79,066	83,457	87,849	35
OTHER PLANT ADJUSTMENTS		-	-	-	-		36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS		-	-	-			37
TOTAL WATER UTILITY PLANT		25,774,484	24,817,632	22,673,448	21,840,920	20,141,199	38
ACCUM PROV FOR DEPR., AMORT., DEPLETION		6,608,207	6,319,968	6,047,524	5,764,439	5,400,258	39
NET WATER UTILITY PLANT	$	19,166,277 $	18,497,664 $	16,625,924 $	16,076,481 $	14,740,941	40
PLANT IN SERVICE BEGINNING OF YEAR	$	23,514,245 $	21,682,452 $	20,381,117 $	19,910,140 $	19,530,816	41
ADDITIONS		1,985,673	2,014,688	1,563,502	474,890	438,014	42
RETIREMENTS		225,470	173,958	119,988	3,913	31,770	43
TRANSFERS AND ADJUSTMENTS		212,537-	8,937-	142,179-	-	26,920-	44
PLANT IN SERVICE END OF YEAR	$	25,061,911 $	23,514,245 $	21,682,452 $	20,381,117 $	19,910,140	45

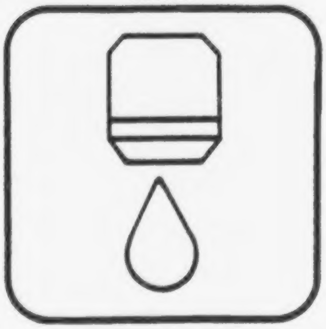
MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

NEW YORK WATER SERVICE CORP

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 11,036,203	$ 10,655,989	$ 10,114,104	$ 9,515,623	$ 8,300,410
2	SALES (THOUSAND GALLONS)	4,680,877	4,615,972	4,798,698	4,589,028	5,205,400
				DOLLAR AMOUNTS		
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 891,175	$ 842,644	$ 856,879	$ 812,682	$ 818,956
4	WAGES AND BENEFITS	1,860,970	1,771,249	1,721,720	1,549,104	426,798
5	OTHER OPERATION AND MAINTENANCE EXPENSES	2,367,602	2,037,300	2,017,569	1,926,082	2,600,411
6	DEPRECIATION AND AMORTIZATION EXPENSES	496,907	441,455	391,353	366,021	350,782
7	INCOME TAXES - OPERATING					
8	OTHER TAXES - OPERATING	3,119,985	3,152,149	2,858,303	2,551,033	2,246,082
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	785,315	739,618	754,816	804,223	817,521
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	1,514,249	1,671,574	1,513,464	1,506,478	1,039,880
12	TOTAL	$ 11,036,203	$ 10,655,989	$ 10,114,104	$ 9,515,623	$ 8,300,410
				PERCENT OF REVENUES		
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	8.1	7.9	8.5	8.5	9.9
14	WAGES AND BENEFITS	16.9	16.6	17.0	16.3	5.1
15	OTHER OPERATION AND MAINTENANCE EXPENSES	21.5	19.1	19.9	20.2	31.3
16	DEPRECIATION AND AMORTIZATION EXPENSES	4.5	4.1	3.9	3.8	4.2
17	INCOME TAXES - OPERATING	-	-	-	-	-
18	OTHER TAXES - OPERATING	28.3	29.6	28.3	26.8	27.1
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.1	6.9	7.5	8.5	9.8
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	13.7	15.7	15.0	15.8	12.5
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER THOUSAND GALLONS SOLD		
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	19.04	18.25	17.86	17.71	15.73
24	WAGES AND BENEFITS	39.76	38.37	35.88	33.76	8.20
25	OTHER OPERATION AND MAINTENANCE EXPENSES	50.58	44.14	42.04	41.97	49.96
26	DEPRECIATION AND AMORTIZATION EXPENSES	10.62	9.56	8.16	7.98	6.74
27	INCOME TAXES - OPERATING	-	-	-	-	-
28	OTHER TAXES - OPERATING	66.65	68.29	59.56	55.59	43.15
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	16.78	16.02	15.73	17.52	15.71
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	32.35	36.21	31.54	32.83	19.98
32	TOTAL	235.77	230.85	210.77	207.36	159.46



WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

OWEGO WATER WORKS

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 1,492,728	$ 1,373,289	$ 1,349,908	$ 1,330,192	$ 1,296,833
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	530,018	518,130	493,509	480,561	468,218
3	NET WATER PLANT	962,710	855,159	856,399	849,631	828,615
4	OTHER PHYSICAL PROPERTY	-	-	-		
5	INVESTMENTS IN ASSOCIATED COMPANIES	209,787	209,787	209,787	167,473	64,281
6	OTHER INVESTMENTS AND FUNDS	9,132	4,786	1,939	-	1,303
7	TOTAL INVESTMENT AND FUND ACCOUNTS	218,919	214,573	211,726	167,473	65,584
8	CASH AND WORKING FUNDS	6,900	6,297	9,069	14,683	37,816
9	SPECIAL DEPOSITS	-	-			
10	TEMPORARY CASH INVESTMENTS		-			-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	68,289	65,586	46,805	23,537	21,991
12	RECEIVABLES FROM ASSOCIATED COMPANIES	1,334	1,441	1,333	338	
13	MATERIALS AND SUPPLIES	20,210	23,398	23,899	25,342	28,454
14	PREPAYMENTS	38,332	35,342	26,046	34,733	32,095
15	OTHER CURRENT AND ACCRUED ASSETS	81,400	82,511	84,156	58,931	55,703
16	TOTAL CURRENT AND ACCRUED ASSETS	216,565	214,575	191,108	176,564	174,049
17	UNAMORTIZED DEBT EXPENSE	-	-	13	463	805
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-		
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	1,748	1,748	1,748	1,748
20	CLEARING ACCOUNTS	-	1,439	-	2,251	
21	ACCUMULATED DEFERRED INCOME TAXES	-		-		
22	OTHER DEFERRED DEBITS	100	8-	5,185	7,990	-
23	TOTAL DEFERRED DEBITS	100	3,179	6,945	12,452	2,553
24	TOTAL ASSETS AND OTHER DEBITS	$ 1,398,294	$ 1,287,486	$ 1,278,179	$ 1,206,120	$ 1,070,801
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 33,600	$ 33,600	$ 33,600	$ 33,600	$ 33,600
26	PREFERRED CAPITAL STOCK	-				-
27	STOCK LIABILITY FOR CONVERSION	-	-			
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-		-	
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-			-	
31	OTHER PAID-IN CAPITAL	532,690	532,690	366,690	266,690	94,390
32	CAPITAL STOCK EXPENSE	-			-	-
33	RETAINED EARNINGS	729,739	638,822	557,729	494,364	494,716
34	REACQUIRED CAPITAL STOCK				-	
35	TOTAL PROPRIETARY CAPITAL	1,296,029	1,205,112	958,019	794,654	622,706
36	BONDS (LESS BONDS REACQUIRED)	-			245,000	304,713
37	ADVANCES FROM ASSOCIATED COMPANIES				-	
38	OTHER LONG TERM DEBT	-			-	
39	NET UNAMORTIZED DEBT PREMIUM - DISCOUNT	-			-	
40	TOTAL LONG TERM DEBT	-	-	-	245,000	304,713
41	NOTES AND ACCOUNTS PAYABLE	11,909	4,044	24,540	70,837	3,871
42	PAYABLES TO ASSOCIATED COMPANIES	8,251	1,260	2,387	1,861	
43	CUSTOMERS' DEPOSITS	4,436	3,254	3,075	1,750	10,784
44	TAXES ACCRUED	4,488	22,737	9,780	17,672	11,925
45	OTHER CURRENT AND ACCRUED LIABILITIES	20,943	15,935	270,519	50,545	101,747
46	TOTAL CURRENT AND ACCRUED LIABILITIES	50,027	47,230	290,741	142,665	128,327
47	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	-	
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	32,359	20,712	18,638	15,209	15,055
49	OTHER DEFERRED CREDITS	-	-	-	-	
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-		
51	LIBERALIZED DEPRECIATION	19,879	14,397	8,601	4,917	
52	OTHER	-	35	2,180	3,675	
53	TOTAL DEFERRED CREDITS	52,238	35,144	29,419	23,801	15,055
54	OPERATING RESERVES	-		-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,398,294	$ 1,287,486	$ 1,278,179	$ 1,206,120	$ 1,070,801
	SELECTED BALANCE SHEET RELATIONSHIPS					
56	WATER PLANT PER DOLLAR OF REVENUE	2.14	2.00	2.09	2.52	2.57
57	CURRENT ASSETS / CURRENT LIABILITIES	4.33	4.54	0.68	1.24	1.36
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	-	-	-	23.5	32.8
59	PREFERRED STOCK	-	-	-	-	-
60	COMMON STOCK + OTHER PAID-IN CAPITAL	43.6	46.9	41.7	28.8	13.8
61	RETAINED EARNINGS	56.3	53.0	58.2	47.5	53.3
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT		-	-	18.4	23.4
63	PERCENT OF NET WATER PLANT	-	-	-	28.8	36.7
64	ACCUMULATED PROVISION FOR DEPRE.+AMORT. PERCENT OF WATER PLANT	35.5	37.7	36.5	36.1	36.1

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

OWEGO WATER WORKS

ITEM		1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT							
WATER OPERATING INCOME							
OPERATING REVENUES	$	671,000 $	679,466 $	641,491 $	522,165 $	494,505	1
OPERATION AND MAINTENANCE EXPENSES		315,013	337,108	341,324	348,561	296,452	2
DEPRECIATION		29,044	26,236	26,274	25,825	24,368	3
AMORTIZATION							4
TAXES OTHER THAN INCOME TAXES		124,258	128,661	126,236	106,501	96,337	5
INCOME TAXES		71,896	68,235	40,847	1,580-	11,226	6
GAINS FROM DISP. OF UTILITY PLANT							7
LOSSES FROM DISP. OF UTILITY PLANT							8
TOTAL OPERATING EXPENSES		540,211	560,840	534,681	479,307	427,583	9
NET OPERATING REVENUES		130,789	118,626	106,810	42,858	66,922	10
INCOME FROM PLANT LEASED TO OTHERS		-	-	-	-	-	11
TOTAL WATER OPERATING INCOME		130,789	118,626	106,810	42,858	66,922	12
OTHER INCOME							
INCOME FROM MDSE, JOBBING-CONTRACT WORK			-	264			13
INCOME FROM NONUTILITY OPERATIONS			-				14
NONOPERATING RENTAL INCOME			-				15
INTEREST AND DIVIDEND INCOME			-		63	172	16
ALLOWANCE FOR CONSTRUCTION FUNDS			-				17
MISCELLANEOUS NONOPERATING INCOME		500	1,291		462	400	18
GAIN ON DISPOSITION OF PROPERTY		-	-				19
TOTAL OTHER INCOME		500	1,291	264	525	572	20
TOTAL INCOME		131,289	119,917	107,074	43,383	67,494	21
OTHER INCOME DEDUCTIONS							
LOSS ON DISPOSITION OF PROPERTY		-	-				22
MISCELLANEOUS AMORTIZATION		-	-		-		23
MISCELLANEOUS DEDUCTIONS		-	-	54	258		24
TAXES OTHER THAN INC TAXES NONOPERATING			-				25
INCOME TAXES-NONOPERATING		677-	611-	576-	722	1,469-	26
TOTAL OTHER INCOME DEDUCTIONS		677-	611-	522-	980	1,469-	27
INCOME BEFORE INTEREST CHARGES		131,966	120,528	107,596	42,403	68,963	28
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT			-	16,630	16,233	19,600	29
AMORT OF DEBT DISCOUNT EXPENSE		-	13	450	342	360	30
AMORT OF PREMIUM ON DEBT-CREDIT		-	-			-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES		44,830	38,210	35,124	22,115	4,922	32
OTHER INTEREST CHARGES		565	56	2,279	2,500	5,421	33
TOTAL INTEREST CHARGES		45,395	38,279	54,483	41,190	30,303	34
EXTRAORDINARY ITEMS							
EXTRAORDINARY INCOME			-		-		35
EXTRAORDINARY DEDUCTIONS			-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS			-	-	-		37
NET EXTRAORDINARY ITEMS			-		-	-	38
NET INCOME	$	86,571 $	84,249 $	53,113 $	1,213 $	38,660	39
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$	638,822 $	557,729 $	494,364 $	494,716 $	456,807	40
BALANCE TRANSFERRED FROM INCOME		86,571	84,249	53,113	1,213	38,660	41
APPROPRIATIONS OF RETAINED EARNINGS		-			-		42
DIVIDENDS DECLARED-PREFERRED STOCK		-	-		-	-	43
-COMMON STOCK		-	-	-			44
ADJUSTMENTS TO RETAINED EARNINGS		4,346	3,156-	10,252	1,565-	751-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR		729,739	638,822	557,729	494,364	494,716	46
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$	729,739 $	638,822 $	557,729 $	494,364 $	494,716	48

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981	LINE NO
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	46.9	49.7	53.2	66.7	59.9	49
DEPRECIATION AND AMORTIZATION	4.3	3.8	4.0	4.9	4.9	50
INCOME TAXES	10.7	10.0	6.3	0.2-	2.3	51
OTHER TAXES	18.5	18.9	19.6	20.3	19.4	52
TOTAL OPERATING EXPENSES	80.5	82.5	83.3	91.7	86.4	53
OPERATING INCOME	19.4	17.4	16.6	8.2	13.5	54
DEPRECIATION + AMORT % OF WATER PLANT	1.9	1.9	1.9	1.9	1.8	55
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	6.8	5.3	8.5	7.9	6.1	56
PRETAX INTEREST COVERAGE	4.5	5.2	2.7	1.0	2.6	57
NET INCOME - % OF OPERATING REVENUES	12.9	12.3	8.2	0.2	7.8	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES		-	-	-	-	59
TIMES EARNED	-	-	-	-	-	60
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES		-	-	-	-	61
PERCENT OF EARNINGS AVAILABLE FOR COMMON		-	-	-	-	62
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	6.9	7.7	6.0	0.1	6.4	63
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	-	-	-	64

310C

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

OWEGO WATER WORKS

LINE NO	ITEM		1985		1984		1983		1982		198
	FUNDS PROVIDED										
	INTERNAL SOURCES										
1	INCOME BEFORE EXTRAORDINARY ITEMS	$	86,571	$	84,249	$	53,113	$	1,213	$	38,660
	NON CASH CHARGES (CREDITS) TO INCOME										
2	DEPRECIATION, DEPLETION AND AMORTIZATION		29,044		31,434		39,333		34,153		24,928
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)		17,094		5,725		5,618		8,746		2,995
4	INTEREST CAPITALIZED		-		-		-		-		-
5	OTHER (NET)								-		
6											
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS		132,709		121,408		98,064		44,112		66,583
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES		-		-		-				-
9	TOTAL FUNDS FROM INTERNAL SOURCES		132,709		121,408		98,064		44,112		66,583
10	LESS DIVIDENDS PREFERRED		-		-		-				
11	COMMON		-		-						
12	NET FUNDS FROM INTERNAL SOURCES		132,709		121,408		98,064		44,112		66,583
	EXTERNAL SOURCES										
13	LONG TERM DEBT		-		-		-		50,109		
14	PREFERRED STOCK		-		-		-				
15	COMMON STOCK		-		-		-				-
16	NET INCREASE IN SHORT TERM DEBT		-		-		-				
17	OTHER (NET)		-		166,000		98,648		172,400		589
18											
19	TOTAL FUNDS FROM EXTERNAL SOURCES		-		166,000		98,648		222,509		589
20	OTHER SOURCES (NET)		3,994		1,727						
21											
22											
23	TOTAL FUNDS PROVIDED	$	136,703	$	289,135	$	196,712	$	266,621	$	67,172
	FUNDS APPLIED										
	CONSTRUCTION EXPENDITURES										
	GROSS ADDITIONS										
24	WATER PLANT	$	134,963	$	26,726	$	31,690	$	41,102	$	55,299
25	NON-UTILITY PLANT		-		-		-		-		
26	OTHER		-		-		-		-		
27	TOTAL GROSS ADDITIONS		134,963		26,726		31,690		41,102		55,299
28	LESS INTEREST CAPITALIZED		-						-		
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED		134,963		26,726		31,690		41,102		55,299
	RETIREMENT OF DEBT AND SECURITIES										
30	LONG TERM DEBT		-		245,000		39,450		20,263		2,500
31	PREFERRED STOCK		-		-		-				
32	REDEMPTION OF CAPITAL STOCK		-		-		-				
33	NET DECREASE IN SHORT TERM DEBT		-		-		-				
34	OTHER (NET)		-		-		40,000		155,000		
35											
36	TOTAL RETIREMENT OF DEBT AND SECURITIES		-		245,000		79,450		175,263		2,500
37	OTHER USES (NET)		1,740		17,409		85,572		50,256		9,313
38											
39											
40	TOTAL FUNDS APPLIED	$	136,703	$	289,135	$	196,712	$	266,621	$	67,112

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

OWEGO WATER WORKS

ITEM	1985	1984	1983	1982	1981	LINE NO.
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 606,968	$ 614,610	$ 581,968	$ 474,012	$ 446,913	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	2
SALES TO OTHER WATER COMPANIES	20,039	21,286	18,390	12,734	12,446	3
OTHER SALES OF WATER	42,197	41,137	38,466	33,662	30,085	4
TOTAL REVENUES FROM SALES OF WATER	669,204	677,033	638,824	520,408	489,444	5
OTHER WATER OPERATING REVENUES	1,796	2,433	2,667	1,757	5,062	6
TOTAL WATER OPERATING REVENUES	$ 671,000	$ 679,466	$ 641,491	$ 522,165	$ 494,506	7
WATER SALES(T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	456,000	478,930	485,540	465,508	518,013	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	9
SALES TO OTHER WATER COMPANIES	28,675	30,348	28,636	22,889	28,546	10
OTHER SALES OF WATER	-	-	-	-	-	11
TOTAL SALES OF WATER	484,675	509,278	514,176	488,397	546,559	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	1,436	1,409	1,413	1,434	1,403	13
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	14
SALES TO OTHER WATER COMPANIES	2	2	2	2	-	15
OTHER SALES OF WATER	21	21	22	21	20	16
TOTAL CUSTOMERS	1,459	1,432	1,437	1,457	1,424	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 422.67	$ 436.20	$ 411.86	$ 330.55	$ 318.54	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	317.54	339.90	343.62	324.62	369.21	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	133.11	128.33	119.86	101.83	86.27	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-	22
AVG. REVENUE PER T GALLONS SOLD(CENTS)	-	-	-	-	-	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 14,030	$ 10,165	$ 8,693	$ 13,849	$ 13,648	24
POWER AND PUMPING EXPENSES	94,045	94,178	103,101	84,270	79,739	25
PURIFICATION EXPENSES	6,219	7,150	8,161	6,839	10,625	26
TRANSMISSION AND DISTRIBUTION EXPENSES	37,654	38,810	42,386	51,210	49,335	27
CUSTOMERS ACCT'G+COLLECTING EXPENSES	22,202	21,742	20,394	15,151	34,546	28
ADMINISTRATIVE+GENERAL EXPENSES	140,863	165,663	157,389	164,742	106,959	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 315,013	$ 337,708	$ 341,324	$ 348,561	$ 295,457	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 1,497,944	$ 1,384,682	$ 1,361,301	$ 1,325,481	$ 1,303,286	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	6,177	-	-	16,104	4,997	33
PLANT HELD FOR FUTURE USE	-	-	-	-	-	34
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	11,393-	11,393-	11,393-	11,393-	11,450-	37
TOTAL WATER UTILITY PLANT	1,492,728	1,373,289	1,349,908	1,330,192	1,296,833	38
ACCUM PROV FOR DEPR., AMORT., DEPLETION	530,018	518,130	493,509	480,561	468,218	39
NET WATER UTILITY PLANT	$ 962,710	$ 855,159	$ 856,399	$ 849,631	$ 828,615	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 1,384,682	$ 1,361,301	$ 1,325,481	$ 1,303,286	$ 1,247,475	41
ADDITIONS	128,786	26,782	45,572	29,938	55,811	42
RETIREMENTS	15,524	3,401	9,752	7,743	-	43
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	44
PLANT IN SERVICE END OF YEAR	$ 1,497,944	$ 1,384,682	$ 1,361,301	$ 1,325,481	$ 1,303,286	45

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MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

OWEGO WATER WORKS

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 671,000	$ 679,466	$ 641,491	$ 522,165	$ 494,505
2	SALES (THOUSAND GALLONS)	484,675	509,278	514,176	488,337	546,559
				DOLLAR AMOUNTS		
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 79,546	$ 83,599	$ 78,657	$ 68,565	$ 64,947
4	WAGES AND BENEFITS	127,057	127,628	126,358	134,996	142,792
5	OTHER OPERATION AND MAINTENANCE EXPENSES	108,410	126,481	136,311	145,000	87,713
6	DEPRECIATION AND AMORTIZATION EXPENSES	29,044	26,236	26,274	25,825	24,568
7	INCOME TAXES - OPERATING	71,896	68,235	40,847	1,580-	11,226
8	OTHER TAXES - OPERATING	124,258	128,681	126,236	106,501	96,337
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	45,395	36,279	54,483	41,190	30,303
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-		
11	EARNINGS AVAILABLE FOR COMMON EQUITY	85,394	82,347	52,327	1,668	36,619
12	TOTAL	$ 671,000	$ 679,466	$ 641,491	$ 522,165	$ 494,505
				PERCENT OF REVENUES		
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	11.9	12.3	12.3	13.1	13.1
14	WAGES AND BENEFITS	18.9	18.8	19.7	25.9	28.9
15	OTHER OPERATION AND MAINTENANCE EXPENSES	16.2	18.6	21.2	27.8	17.7
16	DEPRECIATION AND AMORTIZATION EXPENSES	4.3	3.9	4.1	4.9	5.0
17	INCOME TAXES - OPERATING	10.7	10.0	6.4	0.3-	2.3
18	OTHER TAXES - OPERATING	18.5	18.9	19.7	20.4	19.5
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	6.8	5.3	8.5	7.9	6.1
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	12.7	12.1	8.2	0.3	7.4
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER THOUSAND GALLONS SOLD		
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	16.41	16.42	15.30	14.04	11.88
24	WAGES AND BENEFITS	26.21	25.06	24.57	27.64	26.13
25	OTHER OPERATION AND MAINTENANCE EXPENSES	22.37	24.84	26.51	29.69	16.05
26	DEPRECIATION AND AMORTIZATION EXPENSES	5.99	5.15	5.11	5.29	4.50
27	INCOME TAXES - OPERATING	14.83	13.40	7.94	0.32-	2.05
28	OTHER TAXES - OPERATING	25.64	25.26	24.55	21.81	17.63
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	9.37	7.12	10.60	8.43	5.54
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-		
31	EARNINGS AVAILABLE FOR COMMON EQUITY	17.62	16.17	10.18	0.34	6.70
32	TOTAL	138.44	133.42	124.76	106.91	90.48

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

SEA CLIFF WATER COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 2,450,181	$ 2,290,502	$ 2,168,905	$ 2,079,003	$ 1,953,640
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	975,321	939,794	906,584	873,474	844,971
3	NET WATER PLANT	1,474,860	1,350,708	1,262,321	1,205,529	1,108,669
4	OTHER PHYSICAL PROPERTY	176	176	176	176	176
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	176	176	176	176	176
8	CASH AND WORKING FUNDS	229,923	140,007	224,629	135,133	53,277
9	SPECIAL DEPOSITS	100	100	100	100	100
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	182,415	190,451	180,529	177,990	137,325
12	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
13	MATERIALS AND SUPPLIES	29,634	26,926	23,597	17,017	22,450
14	PREPAYMENTS	31,729	25,938	25,284	23,389	22,632
15	OTHER CURRENT AND ACCRUED ASSETS	74,225	96,570	59,746	81,700	71,402
16	TOTAL CURRENT AND ACCRUED ASSETS	548,026	479,992	513,885	435,929	307,186
17	UNAMORTIZED DEBT EXPENSE	16,240	18,688	-	-	2,509
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
20	CLEARING ACCOUNTS	-	-	-	-	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	13,390	46,538	16,195	25,633	22,919
23	TOTAL DEFERRED DEBITS	29,630	65,226	16,195	25,633	25,428
24	TOTAL ASSETS AND OTHER DEBITS	$ 2,052,692	$ 1,896,102	$ 1,792,577	$ 1,667,267	$ 1,441,459
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 24,950	$ 24,950	$ 24,950	$ 24,950	$ 24,950
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	319,496	319,496	319,496	319,496	319,496
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	618,289	540,069	423,989	318,904	536,276
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	962,735	884,515	768,435	663,350	880,722
36	BONDS (LESS BONDS REACQUIRED)		-		-	
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-		-
38	OTHER LONG TERM DEBT	696,000	739,000	-		270,000
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-		-	-
40	TOTAL LONG TERM DEBT	696,000	739,000	-	-	270,000
41	NOTES AND ACCOUNTS PAYABLE	40,785	9,169	770,240	811,659	61,213
42	PAYABLES TO ASSOCIATED COMPANIES	10,320		144	-	77,253
43	CUSTOMERS' DEPOSITS	7,000	6,085	6,335	5,732	5,915
44	TAXES ACCRUED	69,074	21,837	25,208	24,121	30,735
45	OTHER CURRENT AND ACCRUED LIABILITIES	41,867	40,556	58,889	55,322	27,482
46	TOTAL CURRENT AND ACCRUED LIABILITIES	169,046	77,647	860,816	896,834	202,598
47	CUSTOMER ADVANCES FOR CONSTRUCTION	101,659	79,159	95,159	58,659	58,659
48	ACCUM DEFERRED INVESTMENT TAX CREDITS	62,648	43,767	39,531	15,223	7,298
49	OTHER DEFERRED CREDITS	2,862	2,862	2,862	4,337	4,337
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-	-	
51	LIBERALIZED DEPRECIATION	34,830	22,570	13,107	6,207	1,442
52	OTHER	22,912	46,582	12,667	22,657	16,403
53	TOTAL DEFERRED CREDITS	224,911	194,940	163,326	107,083	88,139
54	OPERATING RESERVES	-	-	-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 2,052,692	$ 1,896,102	$ 1,792,577	$ 1,667,267	$ 1,441,459
	SELECTED BALANCE SHEET RELATIONSHIPS					
56	WATER PLANT PER DOLLAR OF REVENUE	2.09	2.33	2.36	2.56	2.76
57	CURRENT ASSETS / CURRENT LIABILITIES	3.24	6.18	0.60	0.49	1.52
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	41.9	45.5	-	-	23.4
59	PREFERRED STOCK	-	-	-	-	-
60	COMMON STOCK + OTHER PAID-IN CAPITAL	20.7	21.2	44.8	51.9	29.9
61	RETAINED EARNINGS	37.2	33.2	55.1	48.0	46.6
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	28.4	32.2			13.8
63	PERCENT OF NET WATER PLANT	47.1	54.7	-	-	24.3
64	ACCUMULATED PROVISION FOR DEPRE+AMORT PERCENT OF WATER PLANT	39.8	41.0	41.7	42.0	43.2

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

SEA CLIFF WATER COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT						
WATER OPERATING INCOME						
OPERATING REVENUES	$ 1,131,991 $	955,652 $	899,334 $	787,088 $	696,983	1
OPERATION AND MAINTENANCE EXPENSES	447,206	375,274	357,767	351,432	302,084	2
DEPPECIATION	37,209	35,794	34,312	31,540	30,162	3
AMORTIZATION	181	181	181	180	181	4
TAXES OTHER THAN INCOME TAXES	344,192	295,692	280,367	253,053	228,660	5
INCOME TAXES	89,200	44,200	45,000	22,000	24,615	6
GAINS FROM DISP. OF UTILITY PLANT						7
LOSSES FROM DISP. OF UTILITY PLANT						8
TOTAL OPERATING EXPENSES	917,988	751,141	717,627	658,205	585,702	9
NET OPERATING REVENUES	214,003	204,511	181,707	128,883	111,281	10
INCOME FROM PLANT LEASED TO OTHERS	-	-	-	-	-	11
TOTAL WATER OPERATING INCOME	214,003	204,511	181,707	128,883	111,281	12
OTHER INCOME						
INCOME FROM MDSE. JOBBING+CONTRACT WORK		-	-	-	-	13
INCOME FROM NONUTILITY OPERATIONS	-		-	-		14
NONOPERATING RENTAL INCOME	-	-	-	-		15
INTEREST AND DIVIDEND INCOME	12,527	18,599	17,608	921		16
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	1,010		17
MISCELLANEOUS NONOPERATING INCOME	-	-		-	-	18
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-		19
TOTAL OTHER INCOME	12,527	18,599	17,608	1,931		20
TOTAL INCOME	226,530	223,110	199,315	130,814	111,281	21
OTHER INCOME DEDUCTIONS						
LOSS ON DISPOSITION OF PROPERTY	-		-	-		22
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS	-	-	-	-	-	24
TAXES OTHER THAN INC TAXES-NONOPERATING	470		-	-		25
INCOME TAXES-NONOPERATING	4,000	5,000	4,618	3,056-	148-	26
TOTAL OTHER INCOME DEDUCTIONS	4,470	5,000	4,618	3,056-	148-	27
INCOME BEFORE INTEREST CHARGES	222,060	218,110	194,697	133,870	111,429	28
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	85,811	98,264	-	20,527	29,490	29
AMORT OF DEBT DISCOUNT EXPENSE	2,448	3,211	-	2,509	1,468	30
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	32
OTHER INTEREST CHARGES	581	555	89,612	28,206	9,625	33
TOTAL INTEREST CHARGES	88,840	102,030	89,612	51,242	40,583	34
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-			58,349	35
EXTRAORDINARY DEDUCTIONS	-	-		-	-	36
INCOME TAXES EXTRAORDINARY ITEMS	-	-		-	16,000	37
NET EXTRAORDINARY ITEMS	-	-	-	-	42,349	38
NET INCOME	$ 133,220 $	116,080 $	105,085 $	82,628 $	113,195	39
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 540,069 $	423,989 $	318,904 $	536,276 $	423,081	40
BALANCE TRANSFERRED FROM INCOME	133,220	116,080	105,085	82,628	113,195	41
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-		42
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-			43
-COMMON STOCK	55,000	-	-	300,000		44
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-		45
UNAPPROPRIATED RETAINED EARNINGS END OF YR	618,289	540,069	423,989	318,904	536,276	46
APPROPRIATED RETAINED EARNINGS	-	-	-	-		47
TOTAL RETAINED EARNINGS, END OF YEAR	$ 618,289 $	540,069 $	423,989 $	318,904 $	536,276	48
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	39.5	39.2	39.7	44.6	43.3	49
DEPRECIATION AND AMORTIZATION	3.3	3.7	3.8	4.0	4.3	50
INCOME TAXES	7.8	4.6	5.0	2.7	3.5	51
OTHER TAXES	30.4	30.9	31.1	32.1	32.8	52
TOTAL OPERATING EXPENSES	81.0	78.5	79.7	83.6	84.0	53
OPERATING INCOME	18.9	21.4	20.2	16.3	15.9	54
DEPRECIATION + AMORT % OF WATER PLANT	1.5	1.5	1.5	1.5	1.5	55
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	7.8	10.7	10.0	6.5	5.8	56
PRETAX INTEREST COVERAGE	3.5	2.6	2.1	3.0	3.3	57
NET INCOME - % OF OPERATING REVENUES	11.7	12.1	11.6	10.4	16.2	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	59
TIMES EARNED	-	-	-	-	-	60
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	4.8	-	-	38.1		61
PERCENT OF EARNINGS AVAILABLE FOR COMMON	41.2	-	-	-	-	62
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	14.4	14.0	14.6	10.7	13.7	63
DIVIDEND APPROPRIATIONS, COMMON STOCK	5.9	-	-	38.8	-	64

31-C

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

SEA CLIFF WATER COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 133,220	$ 116,080	$ 105,085	$ 82,628	$ 113,195
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	82,484	48,723	72,470	40,574	39,138
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	7,471	47,614		18,944	15,467
4	INTEREST CAPITALIZED	-	-		-	-
5	OTHER (NET)	405	405	-	-	713
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	223,580	212,822	177,555	142,146	168,513
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	
9	TOTAL FUNDS FROM INTERNAL SOURCES	223,580	212,822	177,555	142,146	168,513
10	LESS DIVIDENDS PREFERRED	-	-	-		
11	COMMON	55,000	-	-	300,000	-
12	NET FUNDS FROM INTERNAL SOURCES	168,580	212,822	177,555	157,854-	168,513
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	760,000	-	-	
14	PREFERRED STOCK	-	-	-	-	
15	COMMON STOCK	-	-	-	-	
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	
17	OTHER (NET)	22,500	-	36,500	-	
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	22,500	760,000	36,500	-	
20	OTHER SOURCES (NET)	23,365	-		565,493	2,554
21						
22						
23	TOTAL FUNDS PROVIDED	$ 214,445	$ 972,822	$ 214,055	$ 407,639	$ 171,067
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 160,686	$ 122,834	$ 91,099	$ 129,294	$ 55,873
25	NON-UTILITY PLANT	-			-	
26	OTHER	-			-	
27	TOTAL GROSS ADDITIONS	160,686	122,834	91,099	129,294	55,873
28	LESS INTEREST CAPITALIZED	-	-		-	
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	160,686	122,834	91,099	129,294	55,873
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	43,000	21,000	-	270,000	40,000
31	PREFERRED STOCK	-	-		-	
32	REDEMPTION OF CAPITAL STOCK	-	-		-	
33	NET DECREASE IN SHORT TERM DEBT	-	-	40,000	-	
34	OTHER (NET)	-	16,000			
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	43,000	37,000	40,000	270,000	40,000
37	OTHER USES (NET)	10,759	812,988	82,956	8,345	75,194
38						
39						
40	TOTAL FUNDS APPLIED	$ 214,445	$ 972,822	$ 214,055	$ 407,639	$ 171,067

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

SEA CLIFF WATER COMPANY

WATER OPERATING REVENUES

ITEM	1985	1984	1983	1982	1981	LINE NO.
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 966,042	$ 820,898	$ 773,698	$ 674,546	$ 599,441	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	2
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	3
OTHER SALES OF WATER	159,798	127,979	121,993	111,862	36,722	4
TOTAL REVENUES FROM SALES OF WATER	1,125,840	948,877	895,691	786,408	696,163	5
OTHER WATER OPERATING REVENUES	6,151	6,775	3,643	680	820	6
TOTAL WATER OPERATING REVENUES	$ 1,131,991	$ 955,652	$ 899,334	$ 787,088	$ 696,983	7
WATER SALES(T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	375,686	368,280	398,798	373,333	377,982	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	9
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	10
OTHER SALES OF WATER	-	-	-	-	-	11
TOTAL SALES OF WATER	375,686	368,280	398,798	373,333	377,982	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	4,081	4,065	4,043	4,010	4,043	13
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	14
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	15
OTHER SALES OF WATER	380	379	379	360	-	16
TOTAL CUSTOMERS	4,461	4,444	4,422	4,370	4,043	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 236.71	$ 201.94	$ 191.38	$ 168.21	$ 148.26	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	92.05	90.59	98.63	93.10	93.49	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	257.14	222.90	194.01	180.68	158.59	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-	22
AVG. REVENUE PER T GALLONS SOLD(CENTS)	-	-	-	-	-	23

WATER OPERATION AND MAINTENANCE EXPENSES

ITEM	1985	1984	1983	1982	1981	LINE NO.
SOURCE OF SUPPLY EXPENSES	$ 9,896	$ 6,247	$ 5,789	$ 5,790	$ 4,962	24
POWER AND PUMPING EXPENSES	124,648	109,554	91,145	93,841	95,176	25
PURIFICATION EXPENSES	33,990	29,827	25,810	23,155	14,461	26
TRANSMISSION AND DISTRIBUTION EXPENSES	51,490	34,317	37,384	43,002	36,102	27
CUSTOMERS ACCT G+COLLECTING EXPENSES	102,985	92,888	89,809	77,921	62,825	28
ADMINISTRATIVE+GENERAL EXPENSES	124,197	102,441	107,830	107,723	88,558	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 447,206	$ 375,274	$ 357,767	$ 351,432	$ 302,084	30

WATER UTILITY PLANT

ITEM	1985	1984	1983	1982	1981	LINE NO.
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 2,412,371	$ 2,212,585	$ 2,151,167	$ 2,068,415	$ 1,942,231	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	37,810	77,917	17,738	10,588	11,409	33
PLANT HELD FOR FUTURE USE	-	-	-	-	-	34
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	-	-	-	-	-	37
TOTAL WATER UTILITY PLANT	2,450,181	2,290,502	2,168,905	2,079,003	1,953,640	38
ACCUM PROV FOR DEPR., AMORT., DEPLETION	975,321	939,794	906,584	873,474	844,971	39
NET WATER UTILITY PLANT	$ 1,474,860	$ 1,350,708	$ 1,262,321	$ 1,205,529	$ 1,108,669	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 2,212,585	$ 2,151,167	$ 2,068,415	$ 1,942,231	$ 1,889,962	41
ADDITIONS	200,810	62,721	83,949	130,115	53,606	42
RETIREMENTS	1,024	1,238	1,197	3,931	1,337	43
TRANSFERS AND ADJUSTMENTS	-	65-	-	-	-	44
PLANT IN SERVICE END OF YEAR	$ 2,412,371	$ 2,212,585	$ 2,151,167	$ 2,068,415	$ 1,942,231	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

SEA CLIFF WATER COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,131,991	$ 955,652	$ 899,334	$ 787,088	$ 696,983
2	SALES (THOUSAND GALLONS)	375,686	368,280	398,798	373,333	377,982
	DOLLAR AMOUNTS					
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 97,392	$ 94,789	$ 91,493	$ 85,640	$ 84,487
4	WAGES AND BENEFITS	127,344	106,302	90,959	103,544	84,030
5	OTHER OPERATION AND MAINTENANCE EXPENSES	222,470	174,183	175,315	162,248	133,567
6	DEPRECIATION AND AMORTIZATION EXPENSES	37,390	35,975	34,493	31,720	30,343
7	INCOME TAXES - OPERATING	89,200	44,200	45,000	22,000	24,615
8	OTHER TAXES - OPERATING	344,192	295,692	280,367	253,053	228,660
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	88,840	102,030	89,612	51,242	40,583
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	125,163	102,481	92,095	77,641	70,698
12	TOTAL	$ 1,131,991	$ 955,652	$ 899,334	$ 787,088	$ 696,983
	PERCENT OF REVENUES					
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	8.6	9.9	10.2	10.9	12.1
14	WAGES AND BENEFITS	11.2	11.1	10.1	13.2	12.1
15	OTHER OPERATION AND MAINTENANCE EXPENSES	19.7	18.2	19.5	20.6	19.2
16	DEPRECIATION AND AMORTIZATION EXPENSES	3.3	3.8	3.8	4.0	4.4
17	INCOME TAXES - OPERATING	7.9	4.6	5.0	2.8	3.5
18	OTHER TAXES - OPERATING	30.4	30.9	31.2	32.2	32.8
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.8	10.7	10.0	6.5	5.8
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-			
21	EARNINGS AVAILABLE FOR COMMON EQUITY	11.1	10.7	10.2	9.9	10.1
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	CENTS PER THOUSAND GALLONS SOLD					
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	25.92	25.74	22.94	22.94	22.35
24	WAGES AND BENEFITS	33.90	28.86	22.81	27.74	22.23
25	OTHER OPERATION AND MAINTENANCE EXPENSES	59.22	47.30	43.96	43.46	35.34
26	DEPRECIATION AND AMORTIZATION EXPENSES	9.95	9.77	8.65	8.50	8.03
27	INCOME TAXES - OPERATING	23.74	12.00	11.28	5.89	6.51
28	OTHER TAXES - OPERATING	91.62	80.29	70.30	67.78	60.49
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	23.65	27.70	22.47	13.73	10.74
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	33.32	27.83	23.09	20.80	18.70
32	TOTAL	301.31	259.49	225.51	210.83	184.40

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

SHOREWOOD WATER CORP

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 4,836,664	$ 3,999,728	$ 3,624,631	$ 3,267,490	$ 2,823,209
2	ACCUMULATED PROVISION FOR DEPRE-AMORT	699,538	626,427	562,608	504,306	452,507
3	NET WATER PLANT	4,137,126	3,373,301	3,062,023	2,763,183	2,370,702
4	OTHER PHYSICAL PROPERTY	-	-	-	-	-
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	-	-	-	-	-
8	CASH AND WORKING FUNDS	1,007	11,216	9,329	7,184	7,928
9	SPECIAL DEPOSITS	-	-	-	-	193
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	255,719	54,576	80,764	72,082	13,950
12	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
13	MATERIALS AND SUPPLIES	7,813	7,514	8,503	11,465	12,300
14	PREPAYMENTS	1,084	2,042	2,042	1,127	945
15	OTHER CURRENT AND ACCRUED ASSETS	200	200	200	200	200
16	TOTAL CURRENT AND ACCRUED ASSETS	265,825	75,550	100,838	92,059	35,518
17	UNAMORTIZED DEBT EXPENSE	-	-	-	-	-
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
20	CLEARING ACCOUNTS	1,443	1,407	1,334	1,334	1,414
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	-	-	-	1,445	2,891
23	TOTAL DEFERRED DEBITS	1,443	1,407	1,334	2,780	4,306
24	TOTAL ASSETS AND OTHER DEBITS	$ 4,404,394	$ 3,450,260	$ 3,164,196	$ 2,858,023	$ 2,410,527
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	256,778	193,101	153,153	-	30,979-
34	REACQUIRED CAPITAL STOCK	-	-	-	23,483	-
35	TOTAL PROPRIETARY CAPITAL	268,778	205,101	165,153	35,483	18,979
36	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-
37	ADVANCES FROM ASSOCIATED COMPANIES	369,426	359,590	350,808	342,967	335,966
38	OTHER LONG TERM DEBT	106,782	106,782	203,759	180,625	216,625
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	476,209	466,373	554,567	523,592	552,591
41	NOTES AND ACCOUNTS PAYABLE	335,155	134,021	78,766	35,000	49,550
42	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	73,547	-
43	CUSTOMERS' DEPOSITS	-	-	-	-	-
44	TAXES ACCRUED	26,306	22,805	11,023	19,559	31,382
45	OTHER CURRENT AND ACCRUED LIABILITIES	107,576	74,764	65,707	149,878	111,402
46	TOTAL CURRENT AND ACCRUED LIABILITIES	469,039	231,592	155,498	277,985	192,336
47	CUSTOMER ADVANCES FOR CONSTRUCTION	3,162,216	2,520,125	2,257,729	1,996,434	1,662,816
48	ACCUM DEFERRED INVESTMENT TAX CREDITS	-	-	-	-	-
49	OTHER DEFERRED CREDITS	28,150	27,067	31,247	24,527	21,762
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	-	-	-	-	-
52	OTHER	-	-	-	-	-
53	TOTAL DEFERRED CREDITS	3,190,366	2,547,192	2,288,977	2,020,962	1,684,579
54	OPERATING RESERVES	-	-	-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 4,404,394	$ 3,450,260	$ 3,164,196	$ 2,858,023	$ 2,410,527

SELECTED BALANCE SHEET RELATIONSHIPS

LINE NO	ITEM	1985	1984	1983	1982	1981
56	WATER PLANT PER DOLLAR OF REVENUE	7.98	6.81	6.03	6.68	6.00
57	CURRENT ASSETS / CURRENT LIABILITIES	0.57	0.33	0.65	0.33	0.18
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	63.9	69.4	77.0	93.6	103.5
59	PREFERRED STOCK	-	-	-	-	-
60	COMMON STOCK + OTHER PAID-IN CAPITAL	1.6	1.7	1.6	6.3	2.2
61	RETAINED EARNINGS	34.4	28.7	21.2		5.7
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	9.8	11.6	15.2	16.0	19.5
63	PERCENT OF NET WATER PLANT	11.5	13.8	18.1	18.9	23.3
64	ACCUMULATED PROVISION FOR DEPRE + AMORT PERCENT OF WATER PLANT	14.4	15.6	15.5	15.4	16.0

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

SHOREWOOD WATER CORP

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT

ITEM	1985	1984	1983	1982	1981	LINE NO
WATER OPERATING INCOME						
OPERATING REVENUES	$ 553,652	$ 559,872	$ 571,523	$ 455,696	$ 424,077	1
OPERATION AND MAINTENANCE EXPENSES	389,649	354,321	291,382	265,831	289,447	2
DEPRECIATION	73,110	63,818	58,301	51,799	43,089	3
AMORTIZATION		-				4
TAXES OTHER THAN INCOME TAXES	88,129	88,284	80,745	69,553	64,589	5
INCOME TAXES	-	2,160	-	-		6
GAINS FROM DISP. OF UTILITY PLANT						7
LOSSES FROM DISP. OF UTILITY PLANT						8
TOTAL OPERATING EXPENSES	550,890	508,585	430,430	387,185	397,106	9
NET OPERATING REVENUES	2,762	51,286	141,092	68,511	26,970	10
INCOME FROM PLANT LEASED TO OTHERS	-	-	3,625	3,059	-	11
TOTAL WATER OPERATING INCOME	2,762	51,286	144,717	71,570	26,970	12
OTHER INCOME						
INCOME FROM MDSE, JOBBING+CONTRACT WORK	96,313	30,328	27,887	41,154	19,486	13
INCOME FROM NONUTILITY OPERATIONS		-	-			14
NONOPERATING RENTAL INCOME		-		-		15
INTEREST AND DIVIDEND INCOME	384	1,807	537	9	47	16
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-			17
MISCELLANEOUS NONOPERATING INCOME	1,965	374	359	468	285	18
GAIN ON DISPOSITION OF PROPERTY	-	-	-			19
TOTAL OTHER INCOME	98,663	32,509	28,783	41,631	19,820	20
TOTAL INCOME	101,425	83,795	173,500	113,201	46,790	21
OTHER INCOME DEDUCTIONS						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-		22
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS	-	-	-	-		24
TAXES OTHER THAN INC TAXES-NONOPERATING	-	-	-	-		25
INCOME TAXES-NONOPERATING	-	-	-	-		26
TOTAL OTHER INCOME DEDUCTIONS	-	-	-	-	-	27
INCOME BEFORE INTEREST CHARGES	101,425	83,795	173,500	113,201	46,790	28
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	14,143	22,630	23,445	32,269	39,264	29
AMORT OF DEBT DISCOUNT EXPENSE	-	-	-	-	-	30
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES	9,835	8,782	7,841	7,001	6,250	32
OTHER INTEREST CHARGES	13,769	12,435	12,544	19,468	13,662	33
TOTAL INTEREST CHARGES	37,749	43,848	43,830	58,739	59,178	34
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-				35
EXTRAORDINARY DEDUCTIONS	-					36
INCOME TAXES EXTRAORDINARY ITEMS	-					37
NET EXTRAORDINARY ITEMS	-	-			-	38
NET INCOME	$ 63,677	$ 39,948	$ 129,670	$ 54,462	$ 12,387-	39
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 193,101	$ 153,153	$ 23,483	$ 30,979-	$ 18,592-	40
BALANCE TRANSFERRED FROM INCOME	63,677	39,948	129,670	54,462	12,387-	41
APPROPRIATIONS OF RETAINED EARNINGS	-	-		-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK	-	-		-		43
-COMMON STOCK	-	-		-	-	44
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR	256,778	193,101	153,153	23,483	30,979-	46
APPROPRIATED RETAINED EARNINGS	-	-	-	-		47
TOTAL RETAINED EARNINGS, END OF YEAR	$ 256,778	$ 193,101	$ 153,153	$ 23,483	$ 30,979-	48

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981	LINE NO
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	70.3	63.2	50.9	58.3	68.2	49
DEPRECIATION AND AMORTIZATION	13.2	11.3	10.2	11.3	10.1	50
INCOME TAXES	-	0.3	-	-	-	51
OTHER TAXES	15.9	15.7	14.1	15.2	15.2	52
TOTAL OPERATING EXPENSES	99.5	90.8	75.3	84.9	93.6	53
OPERATING INCOME	0.4	9.1	25.3	15.1	6.3	54
DEPRECIATION + AMORT % OF WATER PLANT	1.5	1.5	1.6	1.5	1.5	55
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	6.8	7.8	7.7	12.9	14.0	56
PRETAX INTEREST COVERAGE	2.7	2.0	4.0	1.9	0.8	57
NET INCOME - % OF OPERATING REVENUES	11.5	7.1	22.6	11.9	2.8	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	59
TIMES EARNED	-	-	-		-	60
DIVIDEND APPROPRIATIONS,COMMON STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-		61
PERCENT OF EARNINGS AVAILABLE FOR-COMMON	-	-	-		-	62
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	26.8	21.5	129.2	-	36.8	63
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	-	-	-	64

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

SHOREWOOD WATER CORP

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 63,677	$ 39,948	$ 129,670	$ 54,462	$ 12,387
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	73,110	63,818	58,301	51,799	43,069
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)		-			
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	1,048	-	8,165	4,289	5,397
6		-				
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	137,836	103,766	196,138	110,552	36,680
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-		-		
9	TOTAL FUNDS FROM INTERNAL SOURCES	137,836	103,766	196,138	110,552	36,680
10	LESS DIVIDENDS PREFERRED		-	-	-	
11	COMMON		-	-	-	
12	NET FUNDS FROM INTERNAL SOURCES	137,836	103,766	196,138	110,552	36,680
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	23,133	-	21,500
14	PREFERRED STOCK		-		-	
15	COMMON STOCK	-	-	-	-	
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	
17	OTHER (NET)	651,925	271,178	269,136	340,619	416,631
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	651,926	271,178	292,270	340,619	438,131
20	OTHER SOURCES (NET)	47,172	101,382		29,108	78,525
21						
22						
23	TOTAL FUNDS PROVIDED	$ 836,935	$ 476,327	$ 488,408	$ 480,280	$ 553,337
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 836,935	$ 375,097	$ 357,141	$ 444,280	$ 553,337
25	NON-UTILITY PLANT	-	-			
26	OTHER	-	-			
27	TOTAL GROSS ADDITIONS	836,935	375,097	357,141	444,280	553,337
28	LESS INTEREST CAPITALIZED	-	-			
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	836,935	375,097	357,141	444,280	553,337
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	96,976		36,000	
31	PREFERRED STOCK	-	-			
32	REDEMPTION OF CAPITAL STOCK	-	-			
33	NET DECREASE IN SHORT TERM DEBT	-	-			
34	OTHER (NET)	-	-			-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	-	96,976		36,000	
37	OTHER USES (NET)	-	4,254	131,266		
38						
39						
40	TOTAL FUNDS APPLIED	$ 836,935	$ 476,327	$ 488,408	$ 480,280	$ 553,337

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

SHOREWOOD WATER CORP

ITEM	1985	1984	1983	1982	1981	LINE NO
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 486,589	$ 483,078	$ 495,133	$ 384,371	$ 355,624	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-			2
SALES TO OTHER WATER COMPANIES	-	-				3
OTHER SALES OF WATER	64,438	74,692	72,902	68,761	66,227	4
TOTAL REVENUES FROM SALES OF WATER	551,029	557,772	568,037	453,134	421,852	5
OTHER WATER OPERATING REVENUES	2,623	2,100	3,486	2,562	2,225	6
TOTAL WATER OPERATING REVENUES	$ 553,652	$ 559,872	$ 571,523	$ 455,696	$ 424,077	7
WATER SALES(T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	438,470	490,914	470,484	326,463	292,923	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	9
SALES TO OTHER WATER COMPANIES	-	-				10
OTHER SALES OF WATER	61,126	58,491	68,760	53,250	64,911	11
TOTAL SALES OF WATER	499,596	549,405	539,244	379,713	357,834	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	4,100	3,827	3,699	3,568	3,500	13
UNMETERED SALES TO GENERAL CUSTOMERS	-		-			14
SALES TO OTHER WATER COMPANIES						15
OTHER SALES OF WATER	60	60	329	328	304	16
TOTAL CUSTOMERS	4,160	3,887	4,028	3,896	3,804	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 118.68	$ 126.22	$ 133.85	$ 107.72	$ 101.60	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	106.94	128.27	127.19	91.49	83.69	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	110.97	98.40	105.24	117.74	121.41	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER		-	-	-	-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)		-		-		22
AVG. REVENUE PER T GALLONS SOLD(CENTS)	-		-	-	-	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 23	-	-			24
POWER AND PUMPING EXPENSES	115,163	103,452	93,192	66,067	77,988	25
PURIFICATION EXPENSES	7,500	9,131	7,956	2,559	3,479	26
TRANSMISSION AND DISTRIBUTION EXPENSES	59,496	47,149	39,571	45,421	50,424	27
CUSTOMERS ACCT'G+COLLECTING EXPENSES	16,778	14,035	9,279	10,817	11,394	28
ADMINISTRATIVE+GENERAL EXPENSES	190,687	180,553	141,381	140,968	146,160	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 389,649	$ 354,322	$ 291,383	$ 265,832	$ 289,447	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 4,833,740	$ 3,987,396	$ 3,612,525	$ 3,256,955	$ 2,778,570	31
PLANT LEASED TO OTHERS	-	-				32
CONSTRUCTION WORK IN PROGRESS	2,923	-			34,104	33
PLANT HELD FOR FUTURE USE	-	12,332	12,106	10,534	10,534	34
PLANT ACQUISITION ADJUSTMENTS	-	-				35
OTHER PLANT ADJUSTMENTS	-		-			36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	-		-		-	37
TOTAL WATER UTILITY PLANT	4,836,664	3,999,728	3,624,631	3,267,490	2,823,209	38
ACCUM PROV FOR DEPR. AMORT. DEPLETION	699,538	626,427	562,608	504,306	452,507	39
NET WATER UTILITY PLANT	$ 4,137,126	$ 3,373,301	$ 3,062,023	$ 2,763,183	$ 2,370,702	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 3,987,396	$ 3,612,525	$ 3,256,955	$ 2,778,570	$ 2,239,097	41
ADDITIONS	846,343	374,871	355,570	478,430	539,472	42
RETIREMENTS	-	-	-	45		43
TRANSFERS AND ADJUSTMENTS	-	-			-	44
PLANT IN SERVICE END OF YEAR	$ 4,833,740	$ 3,987,396	$ 3,612,525	$ 3,256,955	$ 2,778,570	45

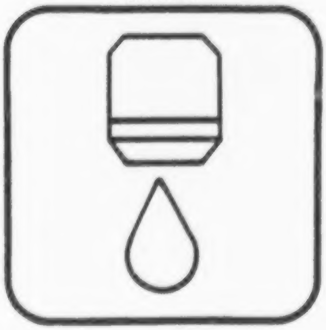
MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

SHOREWOOD WATER CORP

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 553,652	$ 559,872	$ 571,523	$ 455,696	$ 424,077
2	SALES (THOUSAND GALLONS)	499,596	549,405	539,244	379,713	357,834
				DOLLAR AMOUNTS		
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 93,515	$ 89,875	$ 79,057	$ 57,343	$ 72,464
4	WAGES AND BENEFITS	197,079	126,232	8,831	9,972	11,361
5	OTHER OPERATION AND MAINTENANCE EXPENSES	99,055	138,215	199,870	195,458	205,622
6	DEPRECIATION AND AMORTIZATION EXPENSES	73,110	63,818	58,301	51,799	43,089
7	INCOME TAXES - OPERATING	-	2,160	-	-	-
8	OTHER TAXES - OPERATING	88,129	88,284	80,745	69,553	64,589
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	37,749	43,848	43,830	58,739	59,178
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	34,987-	7,438	100,887	12,831	32,208-
12	TOTAL	$ 553,652	$ 559,872	$ 571,523	$ 455,696	$ 424,077
				PERCENT OF REVENUES		
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	16.9	16.1	13.8	12.6	17.1
14	WAGES AND BENEFITS	35.6	22.5	1.5	2.2	2.7
15	OTHER OPERATION AND MAINTENANCE EXPENSES	17.9	24.7	35.0	42.9	48.5
16	DEPRECIATION AND AMORTIZATION EXPENSES	13.2	11.4	10.2	11.4	10.2
17	INCOME TAXES - OPERATING	-	0.4	-	-	-
18	OTHER TAXES - OPERATING	15.9	15.8	14.1	15.3	15.2
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	6.8	7.8	7.7	12.9	14.0
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	6.2-	1.3	17.7	2.8	7.6-
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER THOUSAND GALLONS SOLD		
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	18.72	16.36	14.66	15.10	20.25
24	WAGES AND BENEFITS	39.45	22.98	1.64	2.63	3.17
25	OTHER OPERATION AND MAINTENANCE EXPENSES	19.83	25.16	37.06	51.48	57.46
26	DEPRECIATION AND AMORTIZATION EXPENSES	14.63	11.62	10.81	13.64	12.04
27	INCOME TAXES - OPERATING	-	0.39	-	-	-
28	OTHER TAXES - OPERATING	17.64	16.07	14.97	18.32	18.05
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.56	7.98	8.13	15.47	16.54
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	6.99-	1.35	18.71	3.38	8.99-
32	TOTAL	110.82	101.91	105.99	120.01	118.51



WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

SPRING VALLEY WATER COMPANY, INCORPORATED

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 96,256,425	$ 91,768,225	$ 85,649,192	$ 81,686,334	$ 79,532,836
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	17,047,688	15,550,491	14,422,045	13,292,280	12,207,062
3	NET WATER PLANT	79,208,737	76,217,734	71,227,147	68,394,054	67,325,774
4	OTHER PHYSICAL PROPERTY	662	662	662	662	662
5	INVESTMENTS IN ASSOCIATED COMPANIES			-		
6	OTHER INVESTMENTS AND FUNDS		-	-		-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	662	662	662	662	662
8	CASH AND WORKING FUNDS	790,434	593,881	343,418	314,085	282,908
9	SPECIAL DEPOSITS	2,015	2,015	1,640	1,640	1,640
10	TEMPORARY CASH INVESTMENTS	-	400,000			
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	3,095,910	3,470,874	3,108,302	2,264,360	2,448,300
12	RECEIVABLES FROM ASSOCIATED COMPANIES	254,158	102,961	73,731	91,675	158,742
13	MATERIALS AND SUPPLIES	1,024,303	756,607	556,088	483,643	545,613
14	PREPAYMENTS	1,837,975	1,752,782	1,833,224	1,599,634	1,452,253
15	OTHER CURRENT AND ACCRUED ASSETS	4,410	-	-	1,886	
16	TOTAL CURRENT AND ACCRUED ASSETS	7,009,205	7,079,120	5,916,401	4,756,983	4,889,456
17	UNAMORTIZED DEBT EXPENSE	1,065,363	1,264,010	1,255,992	1,238,051	247,409
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
20	CLEARING ACCOUNTS	40,667	13,203	24,806	10,324	7,677-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	470,591	590,549	907,323	1,107,940	1,215,719
23	TOTAL DEFERRED DEBITS	1,576,621	1,867,762	2,188,121	2,356,315	1,455,451
24	TOTAL ASSETS AND OTHER DEBITS	$ 87,795,225	$ 85,165,278	$ 79,332,331	$ 75,508,014	$ 73,671,343
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 13,856,490	$ 13,856,490	$ 13,856,490	$ 12,900,870	$ 12,900,870
26	PREFERRED CAPITAL STOCK	5,893,600	6,312,400	6,531,200	6,750,000	6,750,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-		
28	PREMIUM ON CAPITAL STOCK	286,958	286,958	286,958	286,958	286,958
29	CAPITAL STOCK SUBSCRIBED	-	-	-		
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-		
31	OTHER PAID-IN CAPITAL	259,124	259,124	259,124	198,827	179,101
32	CAPITAL STOCK EXPENSE		-	-		
33	RETAINED EARNINGS	15,545,947	13,878,808	11,904,402	11,108,934	10,281,418
34	REACQUIRED CAPITAL STOCK					
35	TOTAL PROPRIETARY CAPITAL	35,842,119	34,593,780	32,838,174	31,245,589	30,398,347
36	BONDS (LESS BONDS REACQUIRED)	19,300,000	19,600,000	19,900,000	20,200,000	21,000,000
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	19,480,000	17,120,000	12,260,000	9,700,207	9,240,000
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	38,780,000	36,720,000	32,160,000	29,900,207	30,240,000
41	NOTES AND ACCOUNTS PAYABLE	1,211,938	1,527,820	1,238,534	895,230	1,324,511
42	PAYABLES TO ASSOCIATED COMPANIES	90,469	4,149,801	6,853,497	7,578,914	133,554
43	CUSTOMERS' DEPOSITS	193,455	189,532	180,855	171,913	171,058
44	TAXES ACCRUED	3,104,641	436,582	110,254	184,597	288,123
45	OTHER CURRENT AND ACCRUED LIABILITIES	835,451	945,129	609,785	634,752	593,259
46	TOTAL CURRENT AND ACCRUED LIABILITIES	5,435,954	7,248,864	8,992,925	9,465,406	8,488,505
47	CUSTOMER ADVANCES FOR CONSTRUCTION	3,506,444	2,890,914	2,319,100	2,050,288	2,028,435
48	ACCUM DEFERRED INVESTMENT TAX CREDITS	1,364,600	1,009,000	352,000	165,000	-
49	OTHER DEFERRED CREDITS	684,528	879,540	1,074,552	1,289,584	1,464,576
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	247,914	256,914	265,914	274,914	283,914
51	LIBERALIZED DEPRECIATION	2,059,966	1,695,966	1,315,366	1,023,366	765,166
52	OTHER	126,300-	129,700-	13,700	113,100	2,400
53	TOTAL DEFERRED CREDITS	7,737,152	6,602,634	5,341,232	4,898,812	4,544,491
54	OPERATING RESERVES	-	-			
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 87,795,225	$ 85,185,278	$ 79,332,331	$ 75,508,014	$ 73,671,343

SELECTED BALANCE SHEET RELATIONSHIPS

LINE NO	ITEM	1985	1984	1983	1982	1981
56	WATER PLANT PER DOLLAR OF REVENUE	3.23	3.10	3.31	3.34	4.57
57	CURRENT ASSETS / CURRENT LIABILITIES	1.29	0.98	0.66	0.50	0.58
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	51.9	51.4	49.4	48.8	49.8
59	PREFERRED STOCK	7.8	8.8	10.0	11.0	11.1
60	COMMON STOCK + OTHER PAID-IN CAPITAL	19.3	20.1	22.1	21.8	22.0
61	RETAINED EARNINGS	20.8	19.4	18.3	18.1	16.9
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	40.2	40.0	37.5	36.6	38.0
63	PERCENT OF NET WATER PLANT	48.9	48.1	45.1	43.7	44.9
64	ACCUMULATED PROVISION FOR DEPRE +AMORT PERCENT OF WATER PLANT	17.7	16.9	16.8	16.2	15.3

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

SPRING VALLEY WATER COMPANY, INCORPORATED

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT						
WATER OPERATING INCOME						
OPERATING REVENUES	$ 29,094,904	$ 28,608,257	$ 25,252,608	$ 24,103,337	$ 17,130,952	1
OPERATION AND MAINTENANCE EXPENSES	9,202,727	9,619,268	8,902,334	8,772,538	7,939,331	2
DEPRECIATION	1,453,862	1,151,851	1,101,154	1,071,558	1,036,104	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	6,913,069	7,157,331	6,591,578	5,474,051	4,655,250	5
INCOME TAXES	3,450,000	3,127,600	2,225,600	2,340,500	556,500-	6
GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-	7
LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	8
TOTAL OPERATING EXPENSES	21,019,658	21,056,050	18,821,266	17,658,647	13,074,185	9
NET OPERATING REVENUES	8,075,246	7,552,207	6,431,342	6,444,690	4,056,767	10
INCOME FROM PLANT LEASED TO OTHERS	-	-	-	-	-	11
TOTAL WATER OPERATING INCOME	8,075,246	7,552,207	6,431,342	6,444,690	4,056,767	12
OTHER INCOME						
INCOME FROM MDSE, JOBBING+CONTRACT WORK	-	-	-	-	-	13
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	14
NONOPERATING RENTAL INCOME	-	-	-	-	-	15
INTEREST AND DIVIDEND INCOME	85,632	35,433	54,866	79,929	69,527	16
ALLOWANCE FOR CONSTRUCTION FUNDS	430,340	693,938	307,082	217,779	214,265	17
MISCELLANEOUS NONOPERATING INCOME	19,501	22,775	34,391	19,501	19,501	18
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	19
TOTAL OTHER INCOME	535,473	752,146	396,339	317,209	303,293	20
TOTAL INCOME	8,610,719	8,304,353	6,827,681	6,761,899	4,359,860	21
OTHER INCOME DEDUCTIONS						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS	12,623	9,705	10,565	10,585	7,210	24
TAXES OTHER THAN INC TAXES-NONOPERATING	8,982	8,440	8,292	7,681	7,225	25
INCOME TAXES-NONOPERATING	-	-	-	-	97,500-	26
TOTAL OTHER INCOME DEDUCTIONS	21,605	18,145	18,857	18,266	83,065-	27
INCOME BEFORE INTEREST CHARGES	8,589,114	8,286,208	6,808,824	6,743,633	4,442,925	28
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	2,921,463	2,457,334	2,108,869	2,031,369	2,081,702	29
AMORT OF DEBT DISCOUNT EXPENSE	69,122	71,341	11,190	20,991	16,776	30
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES	224,017	605,520	763,199	354,186	33,169	32
OTHER INTEREST CHARGES	22,260	21,373	22,324	661,335	1,283,546	33
TOTAL INTEREST CHARGES	3,236,862	3,155,568	2,966,682	3,067,881	3,415,193	34
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS	-	-	-	-	-	37
NET EXTRAORDINARY ITEMS	-	-	-	-	-	38
NET INCOME	$ 5,352,252	$ 5,130,640	$ 3,842,142	$ 3,675,752	$ 1,027,732	39
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 13,878,808	$ 11,904,402	$ 11,108,934	$ 10,281,418	$ 11,771,326	40
BALANCE TRANSFERRED FROM INCOME	5,352,252	5,130,640	3,842,142	3,675,752	1,027,732	41
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK	639,552	687,868	724,517	730,625	459,484	43
-COMMON STOCK	3,045,561	2,468,366	2,322,157	2,092,807	1,978,134	44
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	24,804-	80,022-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR	15,545,947	13,878,808	11,904,402	11,108,934	10,281,418	46
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$ 15,545,947	$ 13,878,808	$ 11,904,402	$ 11,108,934	$ 10,281,418	48
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	31.6	33.6	35.2	36.3	46.3	49
DEPRECIATION AND AMORTIZATION	4.9	4.0	4.3	4.4	6.0	50
INCOME TAXES	11.8	10.9	8.8	9.7	3.1	51
OTHER TAXES	23.7	25.0	26.1	22.7	27.1	52
TOTAL OPERATING EXPENSES	72.2	73.6	74.5	73.2	76.3	53
OPERATING INCOME	27.7	26.3	25.4	26.7	23.7	54
DEPRECIATION + AMORT % OF WATER PLANT	1.5	1.2	1.2	1.3	1.3	55
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	11.1	11.0	11.7	12.7	19.9	56
PRETAX INTEREST COVERAGE	3.7	3.6	3.0	3.0	1.1	57
NET INCOME - % OF OPERATING REVENUES	18.3	17.9	15.2	15.2	6.0	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	2.1	2.4	2.8	3.0	2.6	59
TIMES EARNED	8.4	7.5	5.3	5.0	2.2	60
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	10.4	8.6	9.1	8.6	11.5	61
PERCENT OF EARNINGS AVAILABLE FOR-COMMON	64.6	55.5	74.4	71.0	-	62
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	18.1	16.2	12.2	12.2	2.3	63
DIVIDEND APPROPRIATIONS, COMMON STOCK	10.4	9.0	9.1	8.6	8.1	64

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

SPRING VALLEY WATER COMPANY, INCORPORATED

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 5,352,252	$ 5,130,640	$ 3,842,142	$ 3,675,752	$ 1,027,732
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	1,522,984	1,223,192	1,172,944	1,092,549	1,052,880
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	714,000	884,600	370,600	525,500	107,000
4	INTEREST CAPITALIZED	430,340-	693,938	307,082-	217,779-	214,065-
5	OTHER (NET)	-		-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	7,158,896	6,544,494	5,078,604	5,076,022	1,973,547
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-		-	-	
9	TOTAL FUNDS FROM INTERNAL SOURCES	7,158,896	6,544,494	5,078,604	5,076,022	1,973,547
10	LESS DIVIDENDS PREFERRED	639,552	687,868	724,517	730,625	459,484
11	COMMON	3,045,561	2,468,366	2,322,157	2,092,807	1,978,134
12	NET FUNDS FROM INTERNAL SOURCES	3,473,783	3,388,260	2,031,930	2,252,590	464,071-
	EXTERNAL SOURCES					
13	LONG TERM DEBT	2,800,000	5,300,000	-		
14	PREFERRED STOCK	-	-	-		1,750,000
15	COMMON STOCK	-	-	1,015,917	9,726	43,219
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	3,000,000
17	OTHER (NET)	-	-	2,999,793	8,300,207	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	2,800,000	5,300,000	4,015,710	8,309,933	4,793,219
20	OTHER SOURCES (NET)	2,922,708	709,918	261,345	211,082	269,681
21						
22						
23	TOTAL FUNDS PROVIDED	$ 9,196,491	$ 9,398,178	$ 6,308,985	$ 10,783,605	$ 4,598,829
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 4,568,031	$ 6,218,518	$ 4,007,426	$ 2,245,938	$ 2,593,553
25	NON-UTILITY PLANT	-				
26	OTHER	-	-	-		
27	TOTAL GROSS ADDITIONS	4,568,031	6,218,518	4,007,426	2,245,938	2,593,553
28	LESS INTEREST CAPITALIZED	430,340	693,938	307,082	217,779	214,065
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	4,137,691	5,524,580	3,700,344	2,028,159	2,379,488
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	740,000	740,000	740,000	1,240,000	440,000
31	PREFERRED STOCK	418,800	218,800	218,800	-	
32	REDEMPTION OF CAPITAL STOCK	-		-	-	
33	NET DECREASE IN SHORT TERM DEBT	-		-	6,500,000	
34	OTHER (NET)	3,900,000	2,808,018	717,941	1,015,446	80,022
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	5,058,800	3,766,818	1,676,741	8,755,446	520,022
37	OTHER USES (NET)	-	106,780	931,900		1,699,319
38						
39						
40	TOTAL FUNDS APPLIED	$ 9,196,491	$ 9,398,178	$ 6,308,985	$ 10,783,605	$ 4,598,829

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

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COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

SPRING VALLEY WATER COMPANY, INCORPORATED

ITEM	1985	1984	1983	1982	1981	LINE NO
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 24,609,170	$ 24,916,218	$ 21,877,472	$ 20,682,426	$ 14,155,128	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	2
SALES TO OTHER WATER COMPANIES	23,053	28,870	29,473	24,530	14,465	3
OTHER SALES OF WATER	4,334,868	3,585,675	3,293,042	3,392,433	2,946,589	4
TOTAL REVENUES FROM SALES OF WATER	28,967,091	28,530,763	25,199,987	24,099,389	17,116,182	5
OTHER WATER OPERATING REVENUES	127,813	77,494	52,621	3,948	14,770	6
TOTAL WATER OPERATING REVENUES	$ 29,094,904	$ 28,608,257	$ 25,252,608	$ 24,103,337	$ 17,130,952	7
WATER SALES(T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	7,103,901	7,483,287	7,283,837	6,983,676	6,907,302	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	9
SALES TO OTHER WATER COMPANIES	12,520	16,304	19,020	15,647	12,563	10
OTHER SALES OF WATER	28,352	39,339	35,651	34,932	29,847	11
TOTAL SALES OF WATER	7,144,773	7,538,930	7,338,508	7,034,255	6,949,712	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	52,448	51,150	50,269	49,490	48,954	13
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	14
SALES TO OTHER WATER COMPANIES	1	1	1	1		15
OTHER SALES OF WATER	492	467	461	440	430	16
TOTAL CUSTOMERS	52,941	51,618	50,731	49,931	49,385	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 469.21	$ 487.12	$ 435.20	$ 417.91	$ 289.15	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	135.44	146.30	144.89	141.11	141.09	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	346.42	332.96	300.36	296.15	204.93	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-	22
AVG. REVENUE PER T GALLONS SOLD(CENTS)	-	-	-	-	-	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 247,642	$ 278,375	$ 271,487	$ 191,532	$ 236,513	24
POWER AND PUMPING EXPENSES	2,722,049	2,891,558	2,843,976	2,767,806	2,449,701	25
PURIFICATION EXPENSES	497,350	553,842	529,701	507,713	346,394	26
TRANSMISSION AND DISTRIBUTION EXPENSES	1,683,320	1,819,018	1,828,266	1,743,609	1,550,258	27
CUSTOMERS ACCT G+COLLECTING EXPENSES	1,306,914	708,454	748,392	795,769	902,429	28
ADMINISTRATIVE+GENERAL EXPENSES	2,745,452	3,368,021	2,681,112	2,766,109	2,453,536	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 9,202,727	$ 9,619,268	$ 8,902,934	$ 8,772,538	$ 7,938,831	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 91,294,083	$ 87,326,465	$ 79,944,590	$ 77,886,498	$ 76,184,718	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	4,544,689	3,842,567	5,105,409	3,200,643	2,748,925	33
PLANT HELD FOR FUTURE USE	104,951	104,951	104,951	104,951	104,951	34
PLANT ACQUISITION ADJUSTMENTS	550,214	550,214	550,214	550,214	550,214	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	237,512	55,972-	55,972-	55,972-	55,972-	37
TOTAL WATER UTILITY PLANT	96,256,425	91,768,225	85,649,192	81,686,334	79,532,836	38
ACCUM PROV FOR DEPR., AMORT., DEPLETION	17,047,688	15,550,491	14,422,045	13,292,280	12,207,062	39
NET WATER UTILITY PLANT	$ 79,208,737	$ 76,217,734	$ 71,227,147	$ 68,394,054	$ 67,325,774	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 87,326,465	$ 79,944,590	$ 77,886,498	$ 76,184,718	$ 73,974,423	41
ADDITIONS	4,150,476	7,661,041	2,131,467	1,857,144	2,378,625	42
RETIREMENTS	79,831	99,485	44,568	92,439	130,143	43
TRANSFERS AND ADJUSTMENTS	103,027-	179,681-	28,807-	62,925-	38,187-	44
PLANT IN SERVICE END OF YEAR	$ 91,294,083	$ 87,326,465	$ 79,944,590	$ 77,886,498	$ 76,184,718	45

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MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

SPRING VALLEY WATER COMPANY, INCORPORATED

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 29,094,904	$ 28,608,257	$ 25,252,608	$ 24,103,337	$ 17,130,952
2	SALES (THOUSAND GALLONS)	7,144,773	7,538,930	7,338,508	7,034,255	6,949,712
				DOLLAR AMOUNTS		
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 2,158,526	$ 2,479,271	$ 2,447,408	$ 2,393,276	$ 2,113,784
4	WAGES AND BENEFITS	2,986,564	2,757,011	2,724,264	393,588	2,268,753
5	OTHER OPERATION AND MAINTENANCE EXPENSES	4,057,637	4,382,986	3,731,262	5,985,674	3,556,794
6	DEPRECIATION AND AMORTIZATION EXPENSES	1,453,862	1,151,851	1,101,154	1,071,558	1,036,104
7	INCOME TAXES - OPERATING	3,450,000	3,127,600	2,225,600	2,340,500	556,500-
8	OTHER TAXES - OPERATING	6,913,069	7,157,331	6,591,578	5,474,051	4,655,250
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3,017,689	2,807,905	2,829,109	2,985,996	3,251,647
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	614,423	641,467	692,480	701,225	423,307
11	EARNINGS AVAILABLE FOR COMMON EQUITY	4,443,134	4,102,835	2,909,753	2,757,469	381,813
12	TOTAL	$ 29,094,904	$ 28,608,257	$ 25,252,608	$ 24,103,337	$ 17,130,952
				PERCENT OF REVENUES		
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	7.4	8.7	9.7	9.9	12.3
14	WAGES AND BENEFITS	10.3	9.6	10.8	1.6	13.2
15	OTHER OPERATION AND MAINTENANCE EXPENSES	13.9	15.3	14.8	24.8	20.8
16	DEPRECIATION AND AMORTIZATION EXPENSES	5.0	4.0	4.4	4.4	6.0
17	INCOME TAXES - OPERATING	11.9	10.9	8.8	9.7	3.1-
18	OTHER TAXES - OPERATING	23.8	25.0	26.[illegible]	22.7	27.2
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	10.4	9.8	11.2	12.4	19.0
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	2.1	2.2	2.7	2.9	2.5
21	EARNINGS AVAILABLE FOR COMMON EQUITY	15.3	14.3	11.5	11.4	2.2
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER THOUSAND GALLONS SOLD		
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	30.21	32.89	33.35	34.02	30.42
24	WAGES AND BENEFITS	41.80	36.57	37.12	5.60	32.65
25	OTHER OPERATION AND MAINTENANCE EXPENSES	56.79	58.14	50.84	85.09	51.18
26	DEPRECIATION AND AMORTIZATION EXPENSES	20.35	15.28	15.01	15.23	14.91
27	INCOME TAXES - OPERATING	48.29	41.49	30.33	33.27	8.00-
28	OTHER TAXES - OPERATING	96.76	94.94	89.82	77.82	66.98
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	42.24	37.25	38.55	42.45	46.79
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	8.60	8.51	9.44	9.97	6.09
31	EARNINGS AVAILABLE FOR COMMON EQUITY	62.19	54.42	39.65	39.20	5.49
32	TOTAL	407.22	379.47	344.11	342.66	246.50

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

STERLING FOREST WATER CORP

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 1,789,664	$ 1,777,695	$ 1,768,429	$ 1,740,868	$ 1,718,765
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	680,945	639,247	613,785	576,400	541,441
3	NET WATER PLANT	1,108,719	1,138,448	1,154,644	1,164,468	1,177,324
4	OTHER PHYSICAL PROPERTY	-	-	-	-	-
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS		-	-	-	
7	TOTAL INVESTMENT AND FUND ACCOUNTS	-	-	-	-	-
8	CASH AND WORKING FUNDS	10,317	41,284	18,312	10,544	13,402
9	SPECIAL DEPOSITS	50	50	50	50	50
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	76,882	39,490	40,464	49,309	38,429
12	RECEIVABLES FROM ASSOCIATED COMPANIES	9,004	-	-	-	-
13	MATERIALS AND SUPPLIES	5,335	5,061	3,334	3,766	3,552
14	PREPAYMENTS	19,444	18,592	19,248	18,333	16,975
15	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
16	TOTAL CURRENT AND ACCRUED ASSETS	121,032	104,477	81,408	82,002	72,358
17	UNAMORTIZED DEBT EXPENSE	1,486	2,010	2,535	3,061	3,585
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-		-	-
20	CLEARING ACCOUNTS	-	-		-	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-		-	-
22	OTHER DEFERRED DEBITS	1,871	602	1,004	1,436	4,034
23	TOTAL DEFERRED DEBITS	3,357	2,612	3,539	4,497	7,619
24	TOTAL ASSETS AND OTHER DEBITS	$ 1,233,108	$ 1,245,537	$ 1,239,591	$ 1,250,967	$ 1,257,301
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-		
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-			-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-			-
31	OTHER PAID-IN CAPITAL	50,000	50,000	50,000	50,000	50,000
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	772,514	680,693	589,215	558,215	520,623
34	REACQUIRED CAPITAL STOCK	-	-		-	-
35	TOTAL PROPRIETARY CAPITAL	1,072,514	980,693	889,215	858,215	820,623
36	BONDS (LESS BONDS REACQUIRED)	75,000	100,000	125,000	150,000	175,000
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	-	-	-		-
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-		-
40	TOTAL LONG TERM DEBT	75,000	100,000	125,000	150,000	175,000
41	NOTES AND ACCOUNTS PAYABLE	4,558	3,174	4,043	4,674	8,971
42	PAYABLES TO ASSOCIATED COMPANIES		81,573	142,939	157,451	172,416
43	CUSTOMERS' DEPOSITS	-	-	-		
44	TAXES ACCRUED	2,692	1,314	389-	204	465
45	OTHER CURRENT AND ACCRUED LIABILITIES	656	1,095	1,095	2,735	2,148
46	TOTAL CURRENT AND ACCRUED LIABILITIES	7,906	87,156	147,688	165,064	183,990
47	CUSTOMER ADVANCES FOR CONSTRUCTION	77,688	77,688	77,688	77,688	77,688
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	-	-	-	-	-
49	OTHER DEFERRED CREDITS	-	-			-
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-			-
51	LIBERALIZED DEPRECIATION	-	-			
52	OTHER	-	-			-
53	TOTAL DEFERRED CREDITS	77,688	77,688	77,688	77,688	77,688
54	OPERATING RESERVES	-	-			-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,233,108	$ 1,245,537	$ 1,239,591	$ 1,250,967	$ 1,257,301

SELECTED BALANCE SHEET RELATIONSHIPS

LINE NO.	ITEM	1985	1984	1983	1982	1981
56	WATER PLANT PER DOLLAR OF REVENUE	4.40	4.27	5.01	4.74	4.39
57	CURRENT ASSETS / CURRENT LIABILITIES	15.31	1.20	0.55	0.50	0.39
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	6.5	9.2	12.3	14.8	17.5
59	PREFERRED STOCK	-	-	-	-	-
60	COMMON STOCK + OTHER PAID-IN CAPITAL	26.1	27.1	29.5	29.7	30.1
61	RETAINED EARNINGS	67.3	62.9	58.0	55.3	52.2
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	4.1	5.6	7.0	8.6	10.1
63	PERCENT OF NET WATER PLANT	6.7	8.7	10.8	12.8	14.8
64	ACCUMULATED PROVISION FOR DEPRE.+AMORT PERCENT OF WATER PLANT	38.0	35.9	34.7	33.1	31.5

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

STERLING FOREST WATER CORP

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT						
WATER OPERATING INCOME						
OPERATING REVENUES	$ 405,376	$ 415,312	$ 350,497	$ 364,748	$ 388,961	1
OPERATION AND MAINTENANCE EXPENSES	168,841	176,808	172,896	189,312	168,725	2
DEPRECIATION	41,698	39,466	37,384	34,959	34,645	3
AMORTIZATION	-			-	-	4
TAXES OTHER THAN INCOME TAXES	89,354	91,998	89,510	79,718	79,539	5
INCOME TAXES	-	-	-	-	-	6
GAINS FROM DISP. OF UTILITY PLANT						7
LOSSES FROM DISP. OF UTILITY PLANT						8
TOTAL OPERATING EXPENSES	299,893	308,272	299,790	303,989	282,909	9
NET OPERATING REVENUES	105,483	107,040	50,707	60,759	106,052	10
INCOME FROM PLANT LEASED TO OTHERS	-	-	-	-	-	11
TOTAL WATER OPERATING INCOME	105,483	107,040	50,707	60,759	106,052	12
OTHER INCOME						
INCOME FROM MDSE, JOBBING+CONTRACT WORK	-			-	-	13
INCOME FROM NONUTILITY OPERATIONS	-					14
NONOPERATING RENTAL INCOME	-		-	-	-	15
INTEREST AND DIVIDEND INCOME	-	-	-	-	-	16
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	17
MISCELLANEOUS NONOPERATING INCOME	-	-	-	-	-	18
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	19
TOTAL OTHER INCOME	-	-	-	-	-	20
TOTAL INCOME	105,483	107,040	50,707	60,759	106,052	21
OTHER INCOME DEDUCTIONS						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	1,613	22
MISCELLANEOUS AMORTIZATION	-	-	-	-		23
MISCELLANEOUS DEDUCTIONS	-	-	-	-	-	24
TAXES OTHER THAN INC TAXES-NONOPERATING	-	-	-	-		25
INCOME TAXES-NONOPERATING	-	-	-	-		26
TOTAL OTHER INCOME DEDUCTIONS	-	-	-	-	1,613	27
INCOME BEFORE INTEREST CHARGES	105,483	107,040	50,707	60,759	104,439	28
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	4,812	6,563	7,438	9,188	10,281	29
AMORT OF DEBT DISCOUNT EXPENSE	524	525	526	524	524	30
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-		31
INTEREST ON DEBT TO ASSOCIATED COMPANIES	8,326	10,034	-	13,455	15,165	32
OTHER INTEREST CHARGES	-	-	11,743	-	-	33
TOTAL INTEREST CHARGES	13,662	17,122	19,707	23,167	25,970	34
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	1,560		-		35
EXTRAORDINARY DEDUCTIONS	-	-		-		36
INCOME TAXES EXTRAORDINARY ITEMS	-	-		-		37
NET EXTRAORDINARY ITEMS	-	1,560		-		38
NET INCOME	$ 91,821	$ 91,478	$ 31,000	$ 37,592	$ 78,469	39
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 680,693	$ 589,215	$ 558,215	$ 520,623	$ 442,154	40
BALANCE TRANSFERRED FROM INCOME	91,821	91,478	31,000	37,592	78,469	41
APPROPRIATIONS OF RETAINED EARNINGS	-	-		-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-		43
-COMMON STOCK	-	-		-		44
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-		-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR	772,514	680,693	589,215	558,215	520,623	46
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$ 772,514	$ 680,693	$ 589,215	$ 558,215	$ 520,623	48
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	41.6	42.5	49.3	51.9	43.3	49
DEPRECIATION AND AMORTIZATION	10.2	9.5	10.6	9.5	8.9	50
INCOME TAXES	-	-	-	-		51
OTHER TAXES	22.0	22.1	25.5	21.8	20.4	52
TOTAL OPERATING EXPENSES	73.9	74.2	85.5	83.3	72.7	53
OPERATING INCOME	26.0	25.7	14.4	16.6	27.2	54
DEPRECIATION + AMORT % OF WATER PLANT	2.3	2.2	2.1	2.0	2.0	55
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	3.4	4.1	5.6	6.4	6.7	56
PRETAX INTEREST COVERAGE	7.7	6.3	2.6	2.6	4.0	57
NET INCOME - % OF OPERATING REVENUES	22.6	22.0	8.8	10.3	20.1	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	59
TIMES EARNED	-	-	-	-	-	60
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	61
PERCENT OF EARNINGS AVAILABLE FOR-COMMON		-	-	-	-	62
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	8.3	9.7	3.5	4.4	10.0	63
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	-	-	-	64

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

STERLING FOREST WATER CORP

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 91,821	$ 89,918	$ 31,000	$ 37,592	$ 78,469
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	42,624	40,393	38,343	38,081	29,973
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	-		-	-	
4	INTEREST CAPITALIZED		-	-	-	
5	OTHER (NET)		-	-	-	
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	134,445	130,311	69,343	75,673	108,442
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES		1,560	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	134,445	131,871	69,343	75,673	108,442
10	LESS DIVIDENDS PREFERRED		-			
11	COMMON	-	-	-		-
12	NET FUNDS FROM INTERNAL SOURCES	134,445	131,871	69,343	75,673	108,442
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-		
14	PREFERRED STOCK	-	-	-	-	
15	COMMON STOCK	-	-			
16	NET INCREASE IN SHORT TERM DEBT	-	-			
17	OTHER (NET)	-	1,820	-		
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	1,820			
20	OTHER SOURCES (NET)	95,805-	83,601-			9,228
21						
22						
23	TOTAL FUNDS PROVIDED	$ 38,640	$ 50,090	$ 69,343	$ 75,673	$ 117,670
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 11,969	$ 25,090	$ 27,561	$ 22,103	$ 28,626
25	NON-UTILITY PLANT	-	-	-		
26	OTHER	-	-	-		
27	TOTAL GROSS ADDITIONS	11,969	25,090	27,561	22,103	28,626
28	LESS INTEREST CAPITALIZED	-	-	-		
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	11,969	25,090	27,561	22,103	28,626
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	25,000	25,000	25,000	25,000	25,000
31	PREFERRED STOCK	-	-	-		
32	REDEMPTION OF CAPITAL STOCK	-	-	-		
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	25,000	25,000	25,000	25,000	25,000
37	OTHER USES (NET)	1,671	-	16,782	28,570	64,044
38						
39						
40	TOTAL FUNDS APPLIED	$ 38,640	$ 50,090	$ 69,343	$ 75,673	$ 117,670

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

STERLING FOREST WATER CORP

ITEM	1985	1984	1983	1982	1981	LINE NO
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 365,614	$ 374,537	$ 312,424	$ 321,318	$ 345,686	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	962	858	840	840	2
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	3
OTHER SALES OF WATER	29,170	29,196	23,398	23,433	23,278	4
TOTAL REVENUES FROM SALES OF WATER	394,784	404,695	337,280	345,591	369,804	5
OTHER WATER OPERATING REVENUES	10,592	10,617	13,217	19,157	19,157	6
TOTAL WATER OPERATING REVENUES	$ 405,376	$ 415,312	$ 350,497	$ 364,748	$ 388,961	7
WATER SALES(T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	82,091	97,335	106,165	110,387	131,315	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	9
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	10
OTHER SALES OF WATER	-	-	-	-	-	11
TOTAL SALES OF WATER	82,091	97,335	106,165	110,387	131,315	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	224	223	221	219	216	13
UNMETERED SALES TO GENERAL CUSTOMERS	-	1	1	1	1	14
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	15
OTHER SALES OF WATER	4	4	4	4	4	16
TOTAL CUSTOMERS	228	228	226	224	221	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 1,632.20	$ 1,679.53	$ 1,413.68	$ 1,467.20	$ 1,600.39	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	366.47	436.47	480.38	504.05	610.71	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	445.38	384.79	294.28	291.08	262.05	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	-	$ 962.00	$ 858.00	$ 840.00	$ 840.00	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-	22
AVG. REVENUE PER T GALLONS SOLD(CENTS)	-	-	-	-	-	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 4,531	$ 1,689	$ 2,384	$ 867	$ 3,120	24
POWER AND PUMPING EXPENSES	58,534	63,038	62,018	52,050	49,795	25
PURIFICATION EXPENSES	35,731	39,677	40,244	64,672	50,771	26
TRANSMISSION AND DISTRIBUTION EXPENSES	11,945	17,132	13,820	17,005	12,027	27
CUSTOMERS ACCT'G+COLLECTING EXPENSES	1,070	1,149	869	671	749	28
ADMINISTRATIVE+GENERAL EXPENSES	57,030	54,123	53,761	54,047	52,263	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 168,841	$ 176,808	$ 172,896	$ 189,312	$ 168,125	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 1,782,660	$ 1,770,691	$ 1,761,425	$ 1,730,615	$ 1,708,512	31
PLANT LEASED TO OTHERS	7,004	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	-	-	-	2,742	2,742	33
PLANT HELD FOR FUTURE USE	-	7,004	7,004	7,511	7,511	34
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	-	-	-	-	-	37
TOTAL WATER UTILITY PLANT	1,789,664	1,777,695	1,768,429	1,740,868	1,718,765	38
ACCUM PROV FOR DEPR., AMORT., DEPLETION	680,945	639,247	613,785	576,400	541,441	39
NET WATER UTILITY PLANT	$ 1,108,719	$ 1,138,448	$ 1,154,644	$ 1,164,468	$ 1,177,324	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 1,770,691	$ 1,761,425	$ 1,730,615	$ 1,708,512	$ 1,684,695	41
ADDITIONS	11,969	25,090	30,810	22,103	33,045	42
RETIREMENTS	-	15,824	-	-	9,228	43
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	44
PLANT IN SERVICE END OF YEAR	$ 1,782,660	$ 1,770,691	$ 1,761,425	$ 1,730,615	$ 1,708,512	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

STERLING FOREST WATER CORP

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 405,376	$ 415,312	$ 350,497	$ 364,748	$ 388,961
2	SALES (THOUSAND GALLONS)	82,091	97,335	106,165	110,387	131,915
	DOLLAR AMOUNTS					
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 46,585	$ 52,751	$ 53,270	$ 56,081	$ 58,944
4	WAGES AND BENEFITS	76,505	75,228	67,563	62,989	58,482
5	OTHER OPERATION AND MAINTENANCE EXPENSES	45,751	48,829	52,063	70,242	51,299
6	DEPRECIATION AND AMORTIZATION EXPENSES	41,698	39,466	37,384	34,959	34,645
7	INCOME TAXES - OPERATING	-	-	-	-	-
8	OTHER TAXES - OPERATING	89,354	91,998	89,510	79,718	79,539
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	13,662	17,122	19,707	23,167	25,970
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	91,821	89,918	31,000	37,592	80,082
12	TOTAL	$ 405,376	$ 415,312	$ 350,497	$ 364,748	$ 388,961
	PERCENT OF REVENUES					
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	11.5	12.7	15.2	15.4	15.2
14	WAGES AND BENEFITS	18.9	18.1	19.3	17.3	15.0
15	OTHER OPERATION AND MAINTENANCE EXPENSES	11.3	11.8	14.9	19.3	13.2
16	DEPRECIATION AND AMORTIZATION EXPENSES	10.3	9.5	10.7	9.6	8.9
17	INCOME TAXES - OPERATING	-	-	-	-	-
18	OTHER TAXES - OPERATING	22.0	22.2	25.5	21.9	20.4
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.4	4.1	5.6	6.4	6.7
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	22.7	21.7	8.8	10.3	20.6
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	CENTS PER THOUSAND GALLONS SOLD					
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	56.75	54.20	50.18	50.80	44.68
24	WAGES AND BENEFITS	93.20	77.29	63.64	57.06	44.33
25	OTHER OPERATION AND MAINTENANCE EXPENSES	55.73	50.17	49.04	63.63	38.89
26	DEPRECIATION AND AMORTIZATION EXPENSES	50.79	40.55	35.21	31.67	26.26
27	INCOME TAXES - OPERATING	-	-	-	-	-
28	OTHER TAXES - OPERATING	108.85	94.52	84.31	72.22	60.30
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	16.64	17.59	18.56	20.99	19.69
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	111.85	92.38	29.20	34.05	60.71
32	TOTAL	493.81	426.68	330.14	330.43	294.86

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

WANAKAH WATER COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 2,546,037	$ 2,428,406	$ 2,326,592	$ 2,250,349	$ 2,171,036
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	689,595	656,815	629,923	618,548	586,660
3	NET WATER PLANT	1,856,442	1,771,591	1,696,669	1,631,801	1,584,376
4	OTHER PHYSICAL PROPERTY	-	-	-	-	
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-		
6	OTHER INVESTMENTS AND FUNDS	-	-	-		-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	-	-	-		
8	CASH AND WORKING FUNDS	3,238	11,528	12,424	22,122	18,216
9	SPECIAL DEPOSITS	-	-	-	-	-
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	128,895	117,724	103,308	92,032	88,802
12	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	1,446	-
13	MATERIALS AND SUPPLIES	21,181	16,095	17,703	19,771	18,586
14	PREPAYMENTS	51,897	43,104	41,215	37,337	34,022
15	OTHER CURRENT AND ACCRUED ASSETS	104,512	104,512	96,998	81,608	71,840
16	TOTAL CURRENT AND ACCRUED ASSETS	309,723	292,963	271,648	254,316	231,466
17	UNAMORTIZED DEBT EXPENSE	25,485	31,016	36,575	11,227	15,372
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-		
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-	-		-
20	CLEARING ACCOUNTS	-	-	-		-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	
22	OTHER DEFERRED DEBITS	47,834	63,390	83,469	44,368	39,792
23	TOTAL DEFERRED DEBITS	73,319	94,406	120,044	55,595	55,164
24	TOTAL ASSETS AND OTHER DEBITS	$ 2,239,484	$ 2,158,960	$ 2,088,361	$ 1,941,712	$ 1,871,006
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 215,150	$ 215,150	$ 215,150	$ 215,150	$ 215,150
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	22,870	22,870	22,870	22,870	22,870
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	100,000	100,000	100,000	100,000	100,000
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	388,190	388,180	416,822	400,972	383,315
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	726,210	726,200	754,842	738,992	721,335
36	BONDS (LESS BONDS REACQUIRED)	1,010,000	1,015,000	1,020,000	779,000	791,000
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	37,277	44,530	51,270	57,532	63,350
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	1,047,277	1,059,530	1,071,270	836,532	854,350
41	NOTES AND ACCOUNTS PAYABLE	245,835	113,728	66,996	223,492	151,536
42	PAYABLES TO ASSOCIATED COMPANIES	38,605	80,969	40,880	6,446	23,181
43	CUSTOMERS' DEPOSITS	2,875	3,150	3,775	4,876	6,126
44	TAXES ACCRUED	13,408-	6,211-	11,379-	8,583-	5,357-
45	OTHER CURRENT AND ACCRUED LIABILITIES	38,609	36,344	26,015	40,673	43,375
46	TOTAL CURRENT AND ACCRUED LIABILITIES	312,516	228,680	126,287	268,703	207,860
47	CUSTOMER ADVANCES FOR CONSTRUCTION	618	-	-	-	
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	92,598	89,130	83,101	76,595	70,162
49	OTHER DEFERRED CREDITS	-	-	-		
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORTIZATION	-	-			
51	LIBERALIZED DEPRECIATION	-	-			
52	OTHER	60,265	55,520	52,861	20,890	17,299
53	TOTAL DEFERRED CREDITS	153,481	144,650	135,962	97,485	87,461
54	OPERATING RESERVES	-	-			
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 2,239,484	$ 2,158,960	$ 2,088,361	$ 1,941,712	$ 1,871,006
	SELECTED BALANCE SHEET RELATIONSHIPS					
56	WATER PLANT PER DOLLAR OF REVENUE	2.26	2.29	2.40	2.64	2.87
57	CURRENT ASSETS / CURRENT LIABILITIES	0.99	1.28	2.15	0.95	1.11
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	59.0	59.3	58.6	53.0	54.2
59	PREFERRED STOCK	-	-	-	-	-
60	COMMON STOCK + OTHER PAID-IN CAPITAL	19.0	18.9	18.5	21.4	21.4
61	RETAINED EARNINGS	21.8	21.7	22.8	25.4	24.3
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	41.1	43.6	46.0	37.1	39.3
63	PERCENT OF NET WATER PLANT	56.4	59.8	63.1	51.2	53.9
64	ACCUMULATED PROVISION FOR DEPRE.+AMORT. PERCENT OF WATER PLANT	27.0	27.0	27.0	27.4	27.0

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

WANAKAH WATER COMPANY

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT

ITEM	1985	1984	1983	1982	1981	LINE NO
WATER OPERATING INCOME						
OPERATING REVENUES	$ 1,100,980	$ 1,037,186	$ 953,317	$ 837,166	$ 747,066	1
OPERATION AND MAINTENANCE EXPENSES	583,645	545,901	507,103	444,473	389,655	2
DEPRECIATION	39,661	38,024	37,571	37,258	37,489	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	205,882	198,913	184,005	169,272	148,715	5
INCOME TAXES	43,978	38,327	41,748	14,705	18,303	6
GAINS FROM DISP. OF UTILITY PLANT						7
LOSSES FROM DISP. OF UTILITY PLANT				-		8
TOTAL OPERATING EXPENSES	873,166	821,165	770,427	665,708	594,162	9
NET OPERATING REVENUES	227,814	216,021	182,890	171,458	152,904	10
INCOME FROM PLANT LEASED TO OTHERS	-	-	-	-	-	11
TOTAL WATER OPERATING INCOME	227,814	216,021	182,890	171,458	152,904	12
OTHER INCOME						
INCOME FROM MDSE, JOBBING-CONTRACT WORK	-	-	-			13
INCOME FROM NONUTILITY OPERATIONS		-	-	-		14
NONOPERATING RENTAL INCOME		-		-		15
INTEREST AND DIVIDEND INCOME		62	215	735	290	16
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	17
MISCELLANEOUS NONOPERATING INCOME	1,057	663	4,535	194	641	18
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	19
TOTAL OTHER INCOME	1,057	725	4,750	929	931	20
TOTAL INCOME	228,871	216,746	187,640	172,387	153,835	21
OTHER INCOME DEDUCTIONS						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS	479	1,065	725	982	682-	24
TAXES OTHER THAN INC TAXES-NONOPERATING	-	-	-	-	-	25
INCOME TAXES-NONOPERATING	-	-	-	-	-	26
TOTAL OTHER INCOME DEDUCTIONS	479	1,065	725	982	682-	27
INCOME BEFORE INTEREST CHARGES	228,392	215,681	186,915	171,405	154,517	28
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	116,991	117,930	78,134	76,117	77,705	29
AMORT OF DEBT DISCOUNT EXPENSE	5,532	5,559	3,551	4,639	4,945	30
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	32
OTHER INTEREST CHARGES	20,259	13,861	33,441	31,897	22,818	33
TOTAL INTEREST CHARGES	142,782	137,350	115,126	112,653	105,468	34
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS	-	-	-	-	-	37
NET EXTRAORDINARY ITEMS	-	-	-	-	-	38
NET INCOME	$ 85,610	$ 78,331	$ 71,789	$ 58,752	$ 49,049	39
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 388,180	$ 416,822	$ 400,972	$ 383,315	$ 369,767	40
BALANCE TRANSFERRED FROM INCOME	85,610	78,331	71,789	58,752	49,049	41
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	43
-COMMON STOCK	85,600	106,973	55,939	41,095	35,500	44
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR	388,190	388,180	416,822	400,972	383,316	46
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$ 388,190	$ 388,180	$ 416,822	$ 400,972	$ 383,316	48

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981	LINE NO
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	53.0	52.6	53.1	53.0	52.1	49
DEPRECIATION AND AMORTIZATION	3.6	3.6	3.9	4.4	5.0	50
INCOME TAXES	3.9	3.6	4.3	1.7	2.4	51
OTHER TAXES	18.6	19.1	19.3	20.2	19.9	52
TOTAL OPERATING EXPENSES	79.3	79.1	80.8	79.5	79.5	53
OPERATING INCOME	20.6	20.8	19.1	20.4	20.4	54
DEPRECIATION + AMORT % OF WATER PLANT	1.5	1.5	1.6	1.6	1.7	55
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	13.0	13.2	12.1	13.5	14.1	56
PRETAX INTEREST COVERAGE	1.9	1.8	2.0	1.7	1.6	57
NET INCOME - % OF OPERATING REVENUES	7.7	7.5	7.5	7.0	6.5	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	59
TIMES EARNED	-	-	-	-	-	60
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	7.7	10.3	5.8	4.9	4.7	61
PERCENT OF EARNINGS AVAILABLE FOR-COMMON	99.9	136.5	77.9	69.9	72.3	62
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	11.7	10.5	9.6	8.0	6.8	63
DIVIDEND APPROPRIATIONS, COMMON STOCK	11.7	14.4	7.4	5.6	4.9	64

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

WANAKAH WATER COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 85,810	$ 78,331	$ 71,789	$ 58,752	$ 49,049
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	71,386	78,348	37,571	37,258	37,488
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	8,214	8,688	38,477	10,024	669
4	INTEREST CAPITALIZED	-	-			
5	OTHER (NET)	-	-			
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	165,810	165,367	147,837	106,034	87,206
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-		
9	TOTAL FUNDS FROM INTERNAL SOURCES	165,810	165,367	147,837	106,034	87,206
10	LESS DIVIDENDS PREFERRED	-	-		-	
11	COMMON	85,600	106,973	55,939	41,095	35,501
12	NET FUNDS FROM INTERNAL SOURCES	80,210	58,394	91,898	64,939	51,705
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	400,000		
14	PREFERRED STOCK	-	-			
15	COMMON STOCK	-	-			
16	NET INCREASE IN SHORT TERM DEBT	109,550	70,000	-	65,000	70,000
17	OTHER (NET)	-	-	-		
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	109,550	70,000	400,000	65,000	70,000
20	OTHER SOURCES (NET)	1,618	10,978			
21						
22						
23	TOTAL FUNDS PROVIDED	$ 191,378	$ 139,372	$ 491,898	$ 129,939	$ 121,705
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 125,511	$ 112,946	$ 102,715	$ 84,682	$ 72,629
25	NON-UTILITY PLANT	-	-	-		
26	OTHER	-	-	-		
27	TOTAL GROSS ADDITIONS	125,511	112,946	102,715	84,682	72,629
28	LESS INTEREST CAPITALIZED	-	-	-		
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	125,511	112,946	102,715	84,682	72,629
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	5,000	5,000	154,000	17,816	17,403
31	PREFERRED STOCK	-	-		-	
32	REDEMPTION OF CAPITAL STOCK	-		-		
33	NET DECREASE IN SHORT TERM DEBT	-	-	180,000	-	
34	OTHER (NET)	7,254	7,250		434	
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	12,254	12,250	334,000	18,250	17,403
37	OTHER USES (NET)	53,613	14,176	55,183	27,007	31,673
38						
39						
40	TOTAL FUNDS APPLIED	$ 191,378	$ 139,372	$ 491,898	$ 129,939	$ 121,705

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

WANAKAH WATER COMPANY

WATER OPERATING REVENUES

ITEM	1985	1984	1983	1982	1981	LINE NO.
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 964,118	$ 906,119	$ 839,683	$ 734,206	$ 656,657	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	2
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	3
OTHER SALES OF WATER	125,484	122,706	105,412	94,879	83,834	4
TOTAL REVENUES FROM SALES OF WATER	1,089,602	1,028,825	945,095	829,085	740,493	5
OTHER WATER OPERATING REVENUES	11,378	8,361	8,222	8,081	6,573	6
TOTAL WATER OPERATING REVENUES	$ 1,100,980	$ 1,037,186	$ 953,317	$ 837,166	$ 747,066	7
WATER SALES(T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	259,635	264,379	271,217	266,086	269,182	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	9
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	10
OTHER SALES OF WATER	-	-	-	-	-	11
TOTAL SALES OF WATER	259,635	264,379	271,217	266,086	269,182	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	3,509	3,502	3,502	3,471	3,465	13
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	14
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	15
OTHER SALES OF WATER	7	8	8	9	9	16
TOTAL CUSTOMERS	3,516	3,510	3,510	3,480	3,474	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 274.75	$ 258.74	$ 239.77	$ 211.52	$ 189.51	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	73.99	75.49	77.44	76.66	77.68	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	371.34	342.73	309.60	275.93	243.95	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-	22
AVG. REVENUE PER T GALLONS SOLD(CENTS)	-	-	-	-	-	23

WATER OPERATION AND MAINTENANCE EXPENSES

ITEM	1985	1984	1983	1982	1981	LINE NO.
SOURCE OF SUPPLY EXPENSES	$ 7,432	$ 7,995	$ 6,348	$ 6,053	$ 3,623	24
POWER AND PUMPING EXPENSES	68,396	72,680	73,947	71,768	65,099	25
PURIFICATION EXPENSES	72,205	64,789	61,875	58,718	55,891	26
TRANSMISSION AND DISTRIBUTION EXPENSES	135,126	104,921	90,311	84,379	72,426	27
CUSTOMERS ACCT'G+COLLECTING EXPENSES	46,186	39,633	39,552	33,288	31,144	28
ADMINISTRATIVE+GENERAL EXPENSES	254,300	255,877	235,072	189,660	153,480	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 583,645	$ 545,901	$ 507,103	$ 444,472	$ 383,656	30

WATER UTILITY PLANT

ITEM	1985	1984	1983	1982	1981	LINE NO.
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 2,491,004	$ 2,410,574	$ 2,324,683	$ 2,248,907	$ 2,169,277	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	53,741	16,540	617	[illegible]	496	33
PLANT HELD FOR FUTURE USE	1,292	1,292	1,292	1,292	1,292	34
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	-	-	-	-	-	37
TOTAL WATER UTILITY PLANT	2,546,037	2,428,406	2,326,592	2,250,349	2,171,238	38
ACCUM PROV FOR DEPR., AMORT., DEPLETION	689,595	656,815	629,923	618,548	586,659	39
NET WATER UTILITY PLANT	$ 1,856,442	$ 1,771,591	$ 1,696,669	$ 1,631,801	$ 1,584,376	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 2,410,574	$ 2,324,684	$ 2,248,907	$ 2,169,278	$ 2,117,524	41
ADDITIONS	87,312	97,022	102,248	84,938	81,951	42
RETIREMENTS	6,882	11,132	26,471	5,369	30,197	43
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	44
PLANT IN SERVICE END OF YEAR	$ 2,491,004	$ 2,410,574	$ 2,324,684	$ 2,248,907	$ 2,169,278	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

WANAKAH WATER COMPANY

LINE NO	ITEM		1985		1984		1983		1982		1981
1	REVENUES	$	1,100,980	$	1,037,186	$	953,317	$	837,166	$	747,066
2	SALES (THOUSAND GALLONS)		259,635		264,379		271,217		266,088		269,182
	DOLLAR AMOUNTS										
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$	56,458	$	57,173	$	51,594	$	57,240	$	61,100
4	WAGES AND BENEFITS		254,504		251,748		241,018		217,582		183,979
5	OTHER OPERATION AND MAINTENANCE EXPENSES		272,683		236,980		214,491		169,650		144,577
6	DEPRECIATION AND AMORTIZATION EXPENSES		39,661		38,024		37,571		37,258		37,489
7	INCOME TAXES - OPERATING		43,978		38,327		41,748		14,705		18,303
8	OTHER TAXES - OPERATING		205,882		198,913		184,005		169,272		148,715
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		142,782		137,350		115,126		112,653		105,468
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		-		-		-		-		-
11	EARNINGS AVAILABLE FOR COMMON EQUITY		85,032		78,671		67,764		58,805		47,436
12	TOTAL	$	1,100,980	$	1,037,186	$	953,317	$	837,166	$	747,066
	PERCENT OF REVENUES										
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT		5.1		5.5		5.4		6.8		8.2
14	WAGES AND BENEFITS		23.1		24.3		25.3		26.0		24.6
15	OTHER OPERATION AND MAINTENANCE EXPENSES		24.8		22.8		22.5		20.3		19.4
16	DEPRECIATION AND AMORTIZATION EXPENSES		3.6		3.7		3.9		4.5		5.0
17	INCOME TAXES - OPERATING		4.0		3.7		4.4		1.8		2.4
18	OTHER TAXES - OPERATING		18.7		19.2		19.3		20.2		19.9
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		13.0		13.2		12.1		13.5		14.1
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		-		-		-		-		-
21	EARNINGS AVAILABLE FOR COMMON EQUITY		7.7		7.6		7.1		7.0		6.3
22	TOTAL		100.0		100.0		100.0		100.0		100.0
	CENTS PER THOUSAND GALLONS SOLD										
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT		21.75		21.63		19.02		21.51		22.70
24	WAGES AND BENEFITS		98.02		95.22		88.87		81.77		68.35
25	OTHER OPERATION AND MAINTENANCE EXPENSES		105.03		89.64		79.08		63.76		53.71
26	DEPRECIATION AND AMORTIZATION EXPENSES		15.28		14.38		13.85		14.00		13.93
27	INCOME TAXES - OPERATING		16.94		14.50		15.39		5.53		6.80
28	OTHER TAXES - OPERATING		79.30		75.24		67.84		63.62		55.25
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		54.99		51.95		42.45		42.34		39.18
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		-		-		-		-		-
31	EARNINGS AVAILABLE FOR COMMON EQUITY		32.75		29.76		24.99		22.10		17.62
32	TOTAL		424.05		392.31		351.50		314.62		277.53

SECTION V.

RATE OF RETURN ON UTILITY RATE BASE

All Companies

SECTION V

Rate of Return on Utility Rate Base

This section presents the computed rates of return on utility rate base for the years 1981 through 1985 for all companies included in this publication. For combination electric and gas corporations, rates of return for each major department are computed.

Rates of return were calculated on a uniform basis from information filed in company annual reports to the Commission, using the formula described below. In this formula, the rate base is the average of the beginning and end of year net utility plant, including an allocation of net common plant where applicable, less average accumulated deferred income taxes, plus an average of materials and supplies and prepayments, plus an allowance for cash working capital. Cash working capital represents one-eighth of operation and maintenance expenses (year-end) less any purchased power, gas, or water for resale. For telephone companies, cash working capital represents a percentage of operation and maintenance expenses (year-end) based on an average of lag days per year. A detailed explanation of the method of calculating the rate of return appears below.

It should be noted that these calculations on rates of return are not intended as an evaluation of the reasonableness of the earnings of any utility under the jurisdiction of the Public Service Commission. Also, the earned rates of return, as computed herein, are not necessarily the same rates of return that would be computed by the staff in a formal proceeding, because the data are analyzed in greater detail in formal proceedings and some adjustments are usually made to booked amounts.

Table A distributes the companies according to 1985 rates of return. Forty-seven of the seventy-six rates of return (the seven combination companies are included in both electric and gas companies) increased in 1985 compared to 1984. Table B represents the aggregate average rate of return by industry for the years 1981 through 1985.

TABLE A – NUMBER OF COMPANIES EARNING INDICATED RATES OF RETURN ON UTILITY RATE BASE IN 1985

Rate of Return	Combination Electric	Combination Gas	Straight Gas	Telephone	Water	Total	Percent of Total
Less than 8.00	0	0	1	6	2	9	11.8%
8.00 to 8.99	0	2	0	1	0	3	3.9
9.00 to 9.99	1	0	3	4	1	9	11.8
10.00 to 10.99	1	1	0	6	4	12	15.8
11.00 to 11.99	1	2	1	4	2	10	13.2
12.00 to 12.99	1	1	1	9	3	15	19.7
13.00 to 13.99	0	0	0	4	2	6	7.9
14.00 to 14.99	1	1	0	3	0	5	6.6
15.00 and above	2	0	0	4	1	7	9.3
	7	7	6	41	15	76	100.0
Increase over 1983	4	1	1	33	8	47	61.8
Decrease over 1983	3	6	5	8	7	29	38.2
No change over 1983	0	0	0	0	0	0	–
	7	7	6	41	15	76	100.0

TABLE B – AGGREGATE OF RATE OF RETURN ON UTILITY RATE BASE BY INDUSTRY

	1985	1984	1983	1982	1981
Combination:					
Electric	12.26	12.19	11.82	10.97	10.20
Gas	10.61	11.50	10.56	8.89	9.35
Straight Gas	10.89	11.56	11.34	10.68	9.91
Telephone	11.45	10.54	10.46	10.18	10.26
Water	11.23	11.73	11.67	11.14	8.71

The following method was used in determining the rate base and return for computing the earned rates of return:

Net Plant

(1) Plant in service is an average of beginning and end of year balances of plant accounts.

(2) Accumulated provision for depreciation and amortization is an average of beginning and end of year balances.

(3) Plant held for future use and construction work in progress are not included in net plant.

(4) Accumulated deferred income taxes is an average of beginning and end of year balances.

(5) Common utility plant and accumulated provision for depreciation for common utility plant are averaged (beginning and end of year balances) and a net common plant determined. Common plant is allocated to other utility plant in the ratio of each type utility plant to total utility plant.

(6) Net Plant equals (1) – (2) – (4) + (5).

Working Capital

(7) Materials and supplies and prepayments is an average of beginning and end of year balances. If the company has more than one utility department, materials and supplies are allocated in the ratio of gross plant in service for each department to gross total utility plant in service.

(8) Cash working capital is one-eighth of operation and maintenance expenses (less purchased power, purchased gas, and purchased water for resale, for electric, gas and water companies respectively). For telephone companies, a percentage of operation and maintenance expenses is developed based on the average number of lag days per year.

(9) Working capital equals (7) + (8).

Rate Base

(10) Rate Base equals (6) + (9)

Return

(11) Net operating income as reported in Sections I - IV of this publication is used as "return" in computing the realized rate of return on rate base. Rate of return equals (11) ÷ (10).

RATE OF RETURN ON UTILITY RATE BASE

COMPANY	1985	1984	1983	1982	1981
COMBINATION COMPANIES					
Electric Department					
Central Hudson Gas & Electric Corp.	17.90	15.07	13.66	11.48	11.00
Consolidated Edison Co. of N.Y., Inc.	10.60	11.19	11.01	9.83	9.69
Long Island Lighting Co.	22.60	18.28	15.61	14.61	13.88
New York State Electric & Gas Corp.	9.87	11.38	12.85	13.65	11.55
Niagara Mohawk Power Corp.	11.19	11.11	10.62	10.25	8.78
Orange & Rockland Utilities, Inc.	12.28	12.56	11.66	10.68	9.71
Rochester Gas & Electric Corp.	14.22	12.47	12.42	10.44	9.41
Gas Department					
Central Hudson Gas & Electric Corp.	14.72	15.17	10.46	13.30	9.68
Consolidated Edison Co. of N.Y., Inc.	8.88	10.49	11.56	8.50	8.33
Long Island Lighting Co.	12.71	9.91	9.22	9.22	8.19
New York State Electric & Gas Corp.	11.38	17.38	5.85	8.36	8.66
Niagara Mohawk Power Corp.	11.63	12.24	12.33	7.90	10.72
Orange & Rockland Utilities, Inc.	8.72	10.38	7.77	9.17	9.54
Rochester Gas & Electric Corp.	10.25	12.86	9.85	10.83	12.53
STRAIGHT GAS COMPANIES					
Brooklyn Union Gas Co., The	11.58	11.98	12.07	11.81	10.43
Columbia Gas of New York, Inc.	7.44	8.87	8.81	7.65	5.66
Corning Natural Gas Corp.	9.53	8.40	10.04	13.55	5.22
National Fuel Gas Distribution Corp.	9.90	10.87	10.25	9.00	9.52
St. Lawrence Gas Co., Inc.	12.78	15.07	11.64	8.76	8.93
Syracuse Suburban Gas Co., Inc.	9.65	19.57	6.33	1.94	3.44
TELEPHONE COMPANIES					
Addison Home Telephone Co.	6.95	7.31	8.60	6.26	2.86
ALLTEL New York, Inc.	12.72	9.24	9.28	9.94	10.33
AT&T Communications of New York, Inc.	10.04	8.08	–	–	–
Ausable Valley Telephone Co., Inc.	10.87	10.11	8.92	10.33	8.24
Berkshire Telephone Corp.	9.88	7.13	8.77	8.82	6.49
Cassadaga Telephone Corp.	10.93	12.88	11.51	12.51	7.87
Champlain Telephone Co., The	12.29	13.55	8.26	13.16	19.20
Chatauqua & Erie Telephone Corp.	14.18	11.23	11.55	12.61	12.94
Chazy & Westport Telephone Corp.	10.73	6.66	8.47	8.76	9.79
Citizens Telephone Co. of Hammond, N.Y., Inc.	6.01	4.50	4.70	9.04	5.84
Clymer Telephone Co., Inc.	12.55	10.82	9.18	10.15	6.16
Continental Telephone Co. of N.Y., Inc.	12.28	9.49	8.91	–	–
Crown Point Telephone Corporation	9.53	3.68	2.84	8.57	6.63
Delhi Telephone Co.	10.57	7.63	6.98	9.35	11.22
Deposit Telephone Co., Inc.	13.30	13.23	12.12	12.03	9.78
Dunkirk & Fredonia Telephone Co.	18.90	11.07	7.26	6.82	9.04
Edwards Telephone Co., Inc.	12.17	5.87	8.00	6.83	9.87
Empire Telephone Corp.	7.69	9.65	7.21	6.30	6.40
Fishers Island Telephone Corp., The	35.06	31.00	18.53	14.95	12.05
Germantown Telephone Co., Inc.	13.98	9.01	7.07	6.53	10.04
Hancock Telephone Co., The	11.54	10.49	7.20	10.76	13.48
Highland Telephone Co.	12.02	11.41	11.50	11.55	11.47
Margaretville Telephone Co., Inc.	9.82	8.70	10.48	11.03	8.08
Middleburgh Telephone Co., The	11.50	8.17	9.76	9.36	9.22
Newport Telephone Co., Inc.	8.92	6.65	3.40	4.40	6.00
New York Telephone Co.	11.45	10.39	10.49	10.19	10.23
Nicholville Telephone Co., Inc.	9.97	9.52	6.97	9.32	6.22
Ogden Telephone Co.	10.35	9.81	11.00	10.91	10.13
Oneida County Rural Telephone Co.	6.59	5.96	6.85	2.78	5.76
Ontario Telephone Co., Inc.	14.44	15.46	14.59	14.81	14.01
Pattersonville Telephone Co.	5.67	11.58	7.59	5.32	4.54
Port Byron Telephone Co.	12.77	3.83	3.06	2.33	5.73
Rochester Telephone Corp.	12.07	11.19	10.79	10.77	11.17
Seneca-Gorham Telephone Corp.	11.99	10.99	9.42	11.49	14.90
State Telephone Co.	17.20	15.68	12.91	8.62	7.08
Sylvan Lake Telephone Co., Inc.	13.00	12.05	11.97	12.24	14.55
Taconic Telephone Corp.	12.54	9.60	10.69	11.42	11.75
Township Telephone Company, Inc.	7.43	9.67	7.80	6.44	6.43
Trumansburg Home Telephone Co.	14.76	20.66	15.77	11.38	10.49
Vernon Telephone Co., Inc.	13.28	3.52	8.03	5.95	11.27
Warwick Valley Telephone Co.	17.51	13.67	8.73	9.83	11.38
WATER COMPANIES					
Citizens Water-Supply Co. of Newtown, The	10.51	11.13	15.65	16.28	11.38
Country Knolls Water Works, Inc.	11.05	10.01	9.26	5.39	3.25
Fishers Island Water Works Corp.	10.77	3.01	7.95	1.41	–
Jamaica Water Supply Co.	11.32	11.95	11.95	12.83	11.54
Kiamesha Artesian Spring Water Company, Inc.	–	5.07	–	7.20	13.12
Long Island Water Corp.	12.68	12.50	12.89	12.01	10.07
New Rochelle Water Co., The	10.94	13.37	13.97	11.62	9.20
New York–American Water Co., Inc.	13.56	13.10	16.26	4.59	2.43
New York Water Service Corp.	12.22	13.98	14.24	15.08	12.24
Owego Water Works	13.10	12.47	11.31	4.57	7.30
Sea Cliff Water Co.	15.24	15.62	14.18	10.66	9.62
Shorewood Water Corp.	0.07	1.57	4.78	2.65	1.26
Spring Valley Water Co., Inc.	10.79	10.70	9.61	9.74	6.22
Sterling Forest Water Corp.	9.08	9.03	4.24	5.04	8.76
Wanakah Water Co.	12.26	12.02	10.47	10.10	9.31

SECTION VI.

RATE OF RETURN ON COMMON EQUITY

All Companies

SECTION VI

RATE OF RETURN ON COMMON EQUITY

This section presents the computed rates of return on common equity for all companies included in this report.

The computed rate of return is the percentage relationship of earnings available for common equity before extraordinary items to the average of the beginning and year-ending balances in proprietary capital less preferred stock.

It should be noted that these calculations by the Commission's staff on rates of return are not intended as an evaluation of the reasonableness of the earnings of any utility under the jurisdiction of the Public Service Commission. Also, the earned rates of return, as computed herein are not necessarily the same rates of return that would be computed by the staff in a formal proceeding, because the data are analyzed in detail in formal proceedings and some adjustments are usually made to booked amounts. The rates of return on common equity for forty of the sixty-nine companies increased in 1985 compared to 1984. Table A distributes the companies according to 1985 computed rates of return. Table B presents the aggregate average rate of return by industry for the years 1981 through 1985.

TABLE A – NUMBER OF COMPANIES EARNING INDICATED RATES OF RETURN ON COMMON EQUITY IN 1984

Rate of Return	Combination Companies	Straight Gas	Telephone	Water	Total	Percent of Total
Less than 12.00	0	2	2	9	13	18.9%
12.00 to 12.99	0	2	4	0	6	8.7
13.00 to 13.99	2	1	3	1	7	10.1
14.00 to 14.99	2	1	4	3	10	14.5
15.00 to 15.99	1	0	2	0	3	4.3
16.00 to 16.99	2	0	3	1	6	8.7
17.00 up	0	0	23	1	24	34.8
	7	6	41	15	69	100.0
Increase over 1983	3	0	33	4	40	58.0
Decrease over 1983	4	6	7	11	28	40.6
No change over 198	0	0	1	0	1	1.4
	7	6	41	15	69	100.0

TABLE B – AGGREGATE RATE OF RETURN ON COMMON EQUITY BY INDUSTRY

	1985	1984	1983	1982	1981
Combination Companies	14.6	15.1	14.7	14.3	13.6
Straight Gas Companies	13.3	14.6	14.0	13.2	13.0
Telephone Companies	14.2	13.0	12.1	11.9	12.4
Water Companies	10.7	12.2	11.6	9.8	6.5

RATES OF RETURN ON COMMON EQUITY BEFORE EXTRAORDINARY ITEMS AND EQUITY RATIOS

	1985		1984		1983		1982		1981	
	Return on Common Equity Percent	Common Equity Percent of Total Capitalization	Return on Common Equity Percent	Common Equity Percent of Total Capitalization	Return on Common Equity Percent	Common Equity Percent of Total Capitalization	Return on Common Equity Percent	Common Equity Percent of Total Capitalization	Return on Common Equity Percent	Common Equity Percent of Total Capitalization
COMBINATION COMPANIES[1]										
Central Hudson Gas & Electric Corp.	16.1	40.4	15.6	41.3	14.0	41.8	14.6	38.6	13.7	39.1
Consolidated Edison Co., of N.Y., Inc.	13.1	54.2	15.0	56.0	15.1	53.6	13.9	50.9	13.5	47.9
Long Island Lighting Co.	16.2	41.5	15.4	38.7	14.7	34.1	14.6	38.7	13.0	36.9
New York State Electric & Gas Corp.	14.2	38.8	15.7	38.0	13.3	41.3	15.2	40.0	13.2	39.3
Niagara Mohawk Power Corp.	14.9	42.4	14.8	40.3	14.9	41.9	14.7	39.3	13.5	41.0
Orange and Rockland Utilities, Inc.	13.5	40.8	13.7	50.9	13.6	50.3	13.9	47.5	13.1	44.9
Rochester Gas & Electric Corp.	15.6	43.3	16.2	41.1	15.1	41.5	13.6	40.2	14.0	39.7
STRAIGHT GAS COMPANIES										
Brooklyn Union Gas Co., The	14.3	47.7	14.7	50.0	15.1	48.9	16.0	44.3	15.0	41.3
Columbia Gas of New York, Inc.	8.4	46.8	12.1	50.3	13.3	51.2	5.8	49.8	6.3	49.6
Corning Natural Gas Corp.	12.3	85.5	13.6	82.3	15.2	74.5	21.2	70.4	13.9	65.0
National Fuel Gas Distribution Corp.	13.4	56.5	14.3	53.7	12.0	48.2	9.4	52.1	10.7	50.5
St. Lawrence Gas Co., Inc.	12.8	88.9	19.2	68.2	15.7	84.9	11.0	92.1	10.1	60.5
Syracuse Suburban Gas Co., Inc.	11.5	67.2	30.5	64.2	6.1	56.6	–	55.0	7.4	56.3
TELEPHONE COMPANIES										
Addison Home Telephone Co.	12.2	38.2	11.8	38.4	11.8	34.1	11.8	33.5	7.1	30.3
ALLTEL New York, Inc.	15.3	51.1	8.8	48.4	8.4	46.4	11.3	45.8	12.5	47.7
AT&T Communications of New York, Inc.	15.7	61.3	13.7	65.1						
Ausable Valley Telephone Co., Inc.	33.6	18.2	26.3	15.8	17.1	15.1	27.8	13.2	12.0	10.7
Berkshire Telephone Corp.	19.3	30.2	8.1	26.1	12.4	24.6	14.6	22.4	4.8	20.2
Cassadaga Telephone Corp.	14.7	54.1	18.6	50.5	18.0	46.1	23.3	41.7	13.1	38.1
Champlain Telephone Co., The	26.7	41.8	28.3	40.5	12.9	37.6	24.6	35.3	32.7	34.3
Chautauqua and Erie Telephone Corp.	22.3	57.1	14.4	52.9	16.5	50.5	18.7	44.1	18.0	41.2
Chazy and Westport Telephone Corp.	19.8	27.5	13.6	27.9	17.4	25.0	19.0	21.7	26.6	18.8
Citizens Telephone Co. of Hammond, N.Y., Inc.	56.1	9.1	49.4	5.3	66.9	1.7	53.2	5.6	–	–
Clymer Telephone Co., Inc.	26.1	30.6	23.3	29.9	18.0	27.3	21.8	25.5	10.4	24.4
Continental Telephone Co. of N.Y., Inc.	16.4	46.8	12.5	48.6	11.4	52.5				
Crown Point Telephone Corporation	12.4	15.7	–	20.3	–	22.4	20.4	20.9	14.5	17.0
Delhi Telephone Co.	11.9	39.3	8.5	36.4	5.9	36.1	13.0	34.5	16.6	32.4
Deposit Telephone Co., Inc.	17.6	61.6	16.9	56.7	16.1	52.0	13.2	67.2	8.0	64.0
Dunkirk & Fredonia Telephone Co.	28.0	43.9	14.4	38.3	6.4	35.7	12.8	35.6	11.8	49.8
Edwards Telephone Co., Inc.	25.6	35.4	11.3	29.3	19.3	26.6	18.4	22.8	34.6	19.5
Empire Telephone Corp.	11.9	42.6	16.8	38.9	9.3	34.3	8.6	31.7	9.4	29.9
Fishers Island Telephone Corp., The	21.7	100.0	19.5	100.0	15.1	100.0	13.9	100.0	13.8	100.0
Germantown Telephone Co., Inc.	30.4	32.5	16.5	25.4	14.6	22.1	10.8	19.4	35.6	18.0
Hancock Telephone Co., Inc. The	17.8	36.5	16.4	32.6	7.4	29.8	17.4	30.1	27.6	26.9
Highland Telephone Co.	16.8	57.4	13.9	55.4	14.2	47.9	15.5	46.9	15.6	49.3
Margaretville Telephone Co., Inc.	13.1	37.6	10.1	34.8	15.6	33.7	17.4	46.1	11.3	41.7
Middleburgh Telephone Co., The	21.8	35.7	14.7	30.5	21.5	27.3	26.1	23.0	29.7	18.9
Newport Telephone Co., Inc.	14.8	25.7	9.3	22.6	–	21.3	1.9	22.8	14.6	22.4
New York Telephone Co.	13.8	57.5	12.5	56.3	12.1	56.7	11.8	59.0	12.3	57.4
Nicholville Telephone Co., Inc.	26.4	25.6	28.7	20.6	16.6	16.1	44.3	13.9	16.0	9.3
Ogden Telephone Co.	14.8	22.2	14.8	20.3	15.2	18.8	6.6	17.3	7.2	17.1
Oneida County Rural Telephone Co.	18.9	24.3	17.4	21.4	23.0	17.0	–	13.8	17.0	14.0
Ontario Telephone Co., Inc.	12.5	88.2	15.8	86.7	15.8	84.7	14.6	82.6	14.5	79.2
Pattersonville Telephone Co.	18.8	55.2	13.9	49.5	16.1	43.8	12.4	39.0	11.8	35.8
Port Byron Telephone Co.	54.5	19.2	–	9.4	–	9.9	–	12.3	–	13.2
Rochester Telephone Corp.	16.4	63.5	14.7	61.9	13.8	60.6	14.1	59.4	15.4	57.9
Seneca-Gorham Telephone Corp.	14.3	56.5	13.2	53.2	5.0	49.0	14.3	47.9	20.6	43.3
State Telephone Co.	19.4	94.0	17.8	92.9	15.8	91.7	10.5	70.3	8.4	67.7
Sylvan Lake Telephone Co., Inc.	18.1	53.7	12.9	51.6	14.3	49.2	14.3	49.7	18.2	46.4
Taconic Telephone Corp.	12.9	42.9	5.8	40.2	11.4	39.0	14.3	37.1	16.7	42.1
Township Telephone Co., Inc.	16.7	23.7	35.7	20.3	32.0	14.7	38.5	10.6	19.9	8.5
Trumansburg Home Telephone Co.	13.5	78.4	23.2	74.1	18.8	69.7	14.0	65.4	14.4	62.5
Vernon Telephone Co., Inc.	20.2	23.8	–	26.4	7.0	28.2	6.3	28.9	24.1	26.0
Warwick Valley Telephone Co.	22.9	57.1	18.2	51.6	7.5	48.3	10.6	59.5	14.9	54.9
WATER COMPANIES										
Citizens Water-Supply Co. of Newtown, The	5.2	100.0	5.7	100.0	8.1	100.0	7.9	100.0	4.4	100.0
Country Knolls Water Works, Inc.	10.0	20.8	11.4	19.3	28.5	17.2	–	15.8	78.4	–
Fishers Island Water Works Corp.	8.9	80.7	0.3	78.5	5.0	77.9	–	78.4	–	78.0
Jamaica Water Supply Co.	14.1	44.0	14.2	41.0	14.1	38.6	14.6	38.1	10.7	33.0
Kiamesha Artesian Spring Water Company, Inc.	–	29.1	56.1	33.7	–	61.6	7.3	73.0	25.4	63.3
Long Island Water Corp.	13.8	45.7	15.1	52.3	15.6	49.6	14.7	48.7	11.6	52.4
New Rochelle Water Co., The	6.1	99.9	8.2	99.8	9.1	99.7	6.5	94.7	4.5	94.3
New York-American Water Co., Inc.	14.5	34.1	16.7	51.0	25.7	50.9	–	58.9	–	45.2
New York Water Service Corp.	5.9	86.3	9.8	85.6	8.6	84.3	6.2	82.6	10.9	81.0
Owego Water Works	6.9	100.0	7.7	100.0	6.0	100.0	.1	76.3	6.4	67.1
Sea Cliff Water Co.	14.4	57.9	14.0	54.4	14.6	100.0	10.7	100.0	8.5	78.5
Shorewood Water Corp.	26.8	36.0	21.5	30.4	29.2	22.8	59.9	6.3	96.8	–
Spring Valley Water Co., Inc.	16.1	40.1	16.2	39.5	12.2	40.4	12.2	39.9	2.3	38.9
Sterling Forest Water Corp.	8.9	93.5	9.6	90.6	3.5	87.5	4.4	85.0	–	82.3
Wanakah Water Co.	11.7	40.8	10.5	40.6	9.6	41.3	8.0	46.8	6.6	45.7

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[1] Companies providing electric, gas and other utility services.

SECTION VII.

TOTAL INTEREST – TIMES EARNED

(INTEREST COVERAGE)

All Companies

SECTION VII

TOTAL INTEREST – TIMES EARNED
(Interest Coverage)

Total Interest – Times Earned shows the number of times a company earns the interest charges on its debt. The interest charges used in this calculation include interest on long-term debt, amortization of discount, expense and/or premium on debt, interest on notes payable and all other interest deductions.

Income before taxes is considered as being available for the payment of interest because interest is a deduction for tax purposes and unless a company has enough income to pay its interest, there would be no income taxes to be paid.

The number of times that interest is earned is an important and significant element in determining a company's bond rating and its cost of capital. Bond indentures specify a required coverage and the most generally used requirement is two times the interest to be covered. It is customary that there be a margin of safety above the indenture requirement for assurance and for flexibility to issue new debt, so the coverages 'of most companies are normally higher than two times the debt cost. As a general rule, the higher the interest coverage the better the company's bond rating and the lower the interest cost.

The number of times interest is earned is shown for each company for the years 1981 through 1985. These figures were computed on a consistent basis for all of the companies shown. Debt indentures usually specify how this figure is to be computed, and there are significant variations in the required computation. The figure shown should, therefore, not be regarded as being equivalent to indenture coverage.

TOTAL INTEREST – TIMES EARNED
(INTEREST COVERAGE)

COMPANY	1985	1984	1983	1982	1981
COMBINATION COMPANIES[1]					
Central Hudson Gas & Electric Corp.	3.2	3.2	2.8	2.6	2.4
Consolidated Edison Co. of N.Y., Inc.	6.2	6.7	6.4	5.2	4.6
Long Island Lighting Co.[2]	2.8	2.4	2.5	2.4	2.3
New York State Electric & Gas Corp.	2.4	2.5	2.4	2.7	2.8
Niagara Mohawk Power Corp.	3.1	3.1	2.9	2.9	2.6
Orange & Rockland Utilities, Inc.	5.3	4.5	4.2	4.0	3.4
Rochester Gas & Electric Corp.	3.1	3.3	2.9	2.6	2.8
STRAIGHT GAS COMPANIES					
Brooklyn Union Gas Co., The	4.2	3.8	3.6	3.5	3.2
Columbia Gas of New York, Inc.	2.5	3.1	3.2	1.6	1.8
Corning Natural Gas Corp.	4.7	6.8	6.6	5.4	4.0
National Fuel Gas Distribution Corp.	2.4	2.8	2.2	1.9	1.9
St. Lawrence Gas Co., Inc.	7.7	9.3	8.1	4.6	5.2
Syracuse Suburban Gas Co., Inc.	3.3	6.0	1.4	0.9	3.0
TELEPHONE COMPANIES					
Addison Home Telephone Co	3.9	4.1	3.8	3.8	2.4
ALLTEL New York, Inc.	4.3	2.9	2.5	3.0	3.1
AT&T Communications of New York, Inc.	7.1	5.9			
Ausable Valley Telephone Co., Inc.	2.7	2.0	1.6	1.7	1.2
Berkshire Telephone Corp.	2.5	1.5	1.8	1.8	1.3
Cassadaga Telephone Corp.	6.5	6.8	4.8	5.4	2.9
Champlain Telephone Co., The	7.7	7.1	3.3	3.9	5.9
Chautauqua & Erie Telephone Corp.	5.4	3.3	3.0	2.4	2.0
Chazy & Westport Telephone Corp.	3.0	2.1	2.5	2.3	2.4
Citizens Telephone Co. of Hammond, N.Y., Inc.	4.7	1.9	2.5	4.3	1.8
Clymer Telephone Co., Inc.	4.0	3.9	3.5	4.1	2.1
Continental Telephone Co. of N.Y., Inc.	4.2	3.5	3.3		
Crown Point Telephone Corporation	1.7	0.8	0.7	1.8	1.6
Delhi Telephone Co.	2.2	2.0	1.7	2.3	2.5
Deposit Telephone Co., Inc.	4.6	3.8	3.7	2.9	1.9
Dunkirk & Fredonia Telephone Co.	5.8	3.7	2.7	2.8	4.2
Edwards Telephone Co., Inc.	5.2	2.3	3.0	2.4	3.7
Empire Telephone Corp.	3.1	3.5	2.9	2.2	3.2
Fishers Island Telephone Corp., The	81.1	–	–	–	–
Germantown Telephone Co., Inc.	4.2	2.2	1.7	1.6	2.7
Hancock Telephone Co., The	3.2	2.4	1.5	2.2	2.8
Highland Telephone Co.	5.7	4.4	4.1	3.9	4.3
Margaretville Telephone Co., Inc.	2.8	2.6	4.0	3.9	2.9
Middleburgh Telephone Co., The	4.7	3.0	3.2	2.7	2.6
Newport Telephone Co., Inc.	2.3	1.7	0.5	1.1	2.4
New York Telephone Co.	4.5	4.0	3.7	3.7	3.8
Nicholville Telephone Co., Inc.	3.3	2.7	1.7	2.5	1.4
Ogden Telephone Co.	1.8	1.7	1.7	1.3	1.3
Oneida County Rural Telephone Co.	3.7	2.4	2.5	0.9	2.1
Ontario Telephone Co., Inc.	16.0	16.5	15.4	10.0	7.9
Pattersonville Telephone Co.	11.1	6.5	5.9	3.9	4.1
Port Byron Telephone Co.	2.5	0.9	0.7	0.6	0.8
Rochester Telephone Corp.	9.8	8.5	7.5	6.0	6.4
Seneca-Gorham Telephone Corp.	5.6	4.4	2.2	3.7	3.9
State Telephone Co.	48.1	42.5	9.6	4.6	3.1
Sylvan Lake Telephone Co., Inc.	3.8	2.9	3.1	3.0	3.1
Taconic Telephone Corp.	2.4	2.0	2.2	2.3	2.7
Township Telephone Company, Inc.	2.4	4.2	3.0	2.4	1.8
Trumansburg Home Telephone Co.	7.4	10.2	7.2	4.4	5.4
Vernon Telephone Co., Inc.	1.8	0.5	1.4	1.4	2.8
Warwick Valley Telephone Co.	6.5	4.8	2.6	2.3	3.4
WATER COMPANIES					
Citizens Water-Supply Co. of Newtown, The	2.7	3.2	3.7	3.3	2.2
Country Knolls Water Works, Inc.	1.2	1.9	1.9	2.9	0.2
Fishers Island Water Works Corp.	4.0	1.1	2.3	0.9	1.7
Jamaica Water Supply Co.	2.9	2.6	2.3	2.3	1.6
Kiamesha Artesian Spring Water Company, Inc.	–	4.4	–	1.8	3.4
Long Island Water Corp.	3.1	3.6	3.6	3.7	3.2
New Rochelle Water Co., The	3.4	3.8	3.8	2.7	2.2
New York-American Water Co., Inc.	2.6	3.3	2.4	1.0	–
New York Water Service Corp.	3.6	4.8	4.0	2.9	4.0
Owego Water Works	4.5	5.2	2.7	1.0	2.6
Sea Cliff Water Co.	3.5	2.6	2.7	3.0	3.3
Shorewood Water Corp.	2.7	2.0	4.0	1.9	0.8
Spring Valley Water Co., Inc.	3.7	3.6	3.0	3.0	1.1
Sterling Forest Water Corp.	7.7	6.3	2.6	2.6	4.0
Wanakah Water Co.	1.9	1.8	2.0	1.7	1.6

[1] Companies providing electric, gas and other utility services.

[2] Includes effect of trust obligations.

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